



ABHIJEET POWER LIMITED

(Our Company was incorporated as Abhijeet Infrastructure Capital Private Limited on July 16, 2002 under the Companies Act, 1956, at Nagpur. Our Company was converted to a public limited company, the word "private" was deleted from its name and it was issued a fresh certificate of incorporation dated October 27, 2010. The name of our Company was changed to Abhijeet Power Limited on November 3, 2010. For details of changes in the name and registered office of our Company, please see "History and Certain Corporate Matters" on page 223.)

Registered Office: EN1, 3rd Floor, Insignia Towers, Sector V, Salt Lake, Kolkata 700 091 • **Tel:** +91 33 4001 2114 • **Fax:** +91 33 4001 2115

Corporate Office: Landmark Building, 6th Floor, Ramdaspath, Wardha Road, Nagpur 440 010, Maharashtra • **Tel:** +91 712 301 1400 • **Fax:** +91 712 301 1405

Contact Person: Sanjay Dey, Company Secretary and Compliance Officer • **Tel:** +91 712 301 1400 • **Fax:** +91 712 301 1405

Website: www.power.abhijeet.in • **Email:** ipo@abhijeet.in

PROMOTERS OF OUR COMPANY: MANOJ JAYASWAL, ABHIJEET MINING LIMITED AND CORPORATE ISPAT ALLOYS LIMITED

PUBLIC ISSUE OF [•] EQUITY SHARES WITH A FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF ABHIJEET POWER LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE) AGGREGATING TO ₹ 13,750 MILLION (THE "ISSUE" OR THE "IPO"). THE ISSUE COMPRISES OF A NET ISSUE OF [•] EQUITY SHARES AGGREGATING UP TO ₹ [•] MILLION TO THE PUBLIC AND A RESERVATION OF [•] EQUITY SHARES AGGREGATING UP TO ₹ 100 MILLION FOR ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [•]% AND [•]%, RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Our Company may issue and allot up to 148,000,000 Equity Shares to our Promoter, Abhijeet Mining Limited, at a price of ₹ 15 per Equity Share (the "Preferential Allotment") in terms of an agreement dated October 30, 2010 between our Company and Abhijeet Mining Limited, amended by amendment agreement dated May 16, 2011. The Preferential Allotment is at the discretion of our Company. Our Company will complete the issuance and allotment of the Equity Shares pursuant to the Preferential Allotment prior to the filing of the Red Herring Prospectus with the Registrar of Companies (the "RoC").

Our Company is considering a Pre-IPO placement of up to 333,333,333 Equity Shares with various investors ("Pre-IPO Placement") for an amount not exceeding ₹ 5,000 million. The Pre-IPO Placement will be at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post-Issue paid-up equity share capital being offered to the public.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH.

THE PRICE BAND, THE ELIGIBLE EMPLOYEE DISCOUNT AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS ("GCBLRMs") AND BOOK RUNNING LEAD MANAGERS (THE "BRLMs") AND WILL BE ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE.

* A discount of up to 10% to the Issue Price determined pursuant to completion of the Book Building Process may be offered to Eligible Employees (the "Eligible Employee Discount").

In case of a revision in the Price Band, the Bid/Issue Period will be extended for at least three additional Working Days after the 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"), by issuing a press release and also by indicating the change on the websites of the GCBLRMs, the BRLMs and at the terminals of the Syndicate Members.

Our Company is undertaking this Issue under Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957 ("SCRR") and shall comply with the requirements thereunder. The Issue is being made through the Book Building Process wherein at least 50% of the Net Issue shall be Allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 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 Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If at least 50% of the Net Issue cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. QIBs and Non-Institutional Bidders shall participate in this Issue through an Application Supported by Blocked Amount ("ASBA") process providing details of the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") to the extent of the Bid Amount for the same. Retail Individual Bidders and Eligible Employees may also participate in this Issue through the ASBA process. For details, please see "Issue Procedure" on page 484.

RISK IN RELATION TO FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. **The face value of the Equity Shares is ₹ 10 each. The Floor Price is [•] times of the face value and the Cap Price is [•] times of the face value.** The Issue Price (as has been determined and justified by our Company, the GCBLRMs and the BRLMs as stated under the paragraph on "Basis for Issue Price") 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.

IPO GRADING

This Issue has been graded by [•] as [•] (pronounced [•]) 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, please see "General Information" on page 60.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 13.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING ARRANGEMENT

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received "in-principle" approvals from BSE and 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 [•].

GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS		BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE ISSUE	
						
DSP MERRILL LYNCH LIMITED 8 th Floor, Mafatlal Centre Nariman Point, Mumbai 400 021 Tel: +91 22 6632 8000 Fax: +91 22 2204 8518 E-mail: dg.abhijeetipo@baml.com Investor grievance email: dg.india_merchanthanking@baml.com Website: www.dsplm.com Contact Person: Theresa Pimenta SEBI Registration No.: INM000011625	ENAM SECURITIES PRIVATE LIMITED 801/802, Dalaman Towers Nariman Point, Mumbai 400 021 Tel: +91 22 6638 1800 Fax: +91 22 2284 6824 E-mail: abhijeet.ipo@enam.com Investor Grievance E-mail: complaints@enam.com Website: www.enam.com Contact Person: Harish Lodha SEBI Registration No.: INM000006856	AXIS BANK LIMITED Axis House, E Wing, Level 7 Bombay Dyeing Mills Compound P. B. Marg, Mumbai 400 025 Tel: +91 22 2425 5722 Fax: +91 22 4325 4700 Email: abhijeet.ipo@axisbank.com Investor Grievance E-mail: axbmbd@axisbank.com Website: www.axisbank.com Contact Person: Dipen Kapadia/Rajneesh Kumar SEBI Registration No.: INM000006104	IDFC CAPITAL LIMITED Naman Chambers C-32, G Block Bandra-Kurla Complex Bandra (E) Mumbai 400 051 Tel: +91 22 6622 2600 Fax: +91 22 6622 2501 Email: abhijeet.ipo@idfc.com Investor Grievance Email: complaints@idfc.com Website: www.idfccapital.com Contact Person: Hiren Raipancholia SEBI Registration No.: INM000011336	SBI CAPITAL MARKETS LIMITED 202, Maker Towers 'E' Cuffe Parade Mumbai 400 005 Tel: + 91 22 2217 8300 Fax: +91 22 2218 8332 E-mail: abhijeet.ipo@sbicaps.com Investor Grievance E-mail: investorrelations@sbicaps.com Website: www.sbicaps.com Contact Person: Nithin Kanuganti/Saumadip Dey SEBI Registration No.: INM000003531	UBS SECURITIES INDIA PRIVATE LIMITED 2F, 2 North Avenue Maker Maxity Bandra Kurla Complex Bandra (E) Mumbai 400 051 Tel: +91 22 6155 6100 Fax: +91 22 6155 6292 Email: customercare@ubs.com Investor Grievance Email: customercare@ubs.com Website: www.ubs.com/indianoffers Contact Person: Puneet Gandhi SEBI Registration No.: INM000010809	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 2594 0329 Email: apl.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Sanjog Sud SEBI Registration No.: INR000004058

ISSUE PROGRAMME

BID/ISSUE OPENS ON: [•]*

BID/ISSUE CLOSES ON: [•]**

* Our 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.

** Our Company may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date.

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DEFINITIONS AND ABBREVIATIONS

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

General Terms

Term	Description
“Joint Ventures”	Our joint ventures, being CPL and MCCPL (which is held through JIPL)
“Our Company”, “the Company”, or “the Issuer”	Unless the context otherwise requires, refers to Abhijeet Power Limited, a company incorporated under the Companies Act, having its registered office at EN1, 3 rd Floor, Insignia Towers, Sector V, Salt Lake, Kolkata 700 091
Subsidiaries	Our subsidiaries, being AMNEPL and JIPL
“we”, “us”, or “our”	Unless the context otherwise requires, means our Company, our Subsidiaries and Joint Ventures on a consolidated basis

Company Related Terms

Term	Description
Abhijeet Group	Our Company along with our Subsidiaries, Joint Ventures, Promoters and Group Companies
AINL	Abhijeet Infra Limited
AIL	Abhijeet Infrastructure Limited
AML	Abhijeet Mining Limited
AMNEPL	Abhijeet MADC Nagpur Energy Private Limited
APRL	Abhijeet Projects Limited
Articles of Association / Articles	The articles of association of our Company
Auditors	The statutory auditors of our Company, namely, Chaturvedi Sohan & Co., Chartered Accountants
Banka Power Project	1,320 MW power project being developed by JIPL at Banka district in the state of Bihar
Board of Directors/Board	The board of directors of our Company or a duly constituted committee thereof
Chandwa Power Project / Matrishri Usha Jayaswal Thermal Power Plant	1,080 MW power plant being developed by CPL at Chandwa in Latehar district of Jharkhand
Composite Scheme of Arrangement	The composite scheme of arrangement among APRL, AINL, our Company and the respective shareholders sanctioned by the Calcutta High Court by an order dated August 25, 2010. For details. Please see “Composite Scheme of Arrangement” on page 221
Corporate Ispat/CIAL	Corporate Ispat Alloys Limited
Corporate Office	The corporate office of our Company, situated at Landmark Building, 6 th Floor, Ramdaspath, Wardha Road, Nagpur 440 010, Maharashtra
CPL	Corporate Power Limited
DG set	25.6 MW back-up diesel generator
Director(s)	The director(s) of our Company, unless otherwise specified
Effective Date of the Composite Scheme of Arrangement	The effective date for the Composite Scheme of Arrangement (that is, the date on which the certified copy of the order of the Calcutta High Court was filed with the Registrar of Companies, Kolkata, West Bengal), that is, October 15, 2010
Group Companies	Means 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, please see “Our Group Companies” on page 254
JIPL	Jas Infrastructure and Power Limited

Term	Description
JTRCL	Jas Toll Road Company Limited
MADC	Maharashtra Airport Development Company Limited
Mahuagarhi Coal/MCCPL	Mahuagarhi Coal Company Private Limited
Memorandum/ Memorandum of Association	The memorandum of association of our Company
MIHAN	Multi-modal International Cargo Hub and Airport, Nagpur
MIHAN Area	An area of 4,354 hectares in MIHAN, Nagpur, Maharashtra*
MIHAN Power Project	271.6 MW (thermal units of 246 MW and DG Sets of 25.6 MW) power project being developed by AMNEPL at Nagpur in the state of Maharashtra
MIHAN SEZ Area	An area of 2,086 hectares in MIHAN, Nagpur, Maharashtra*
Promoters	The promoters of our Company, namely, Manoj Jayaswal, Abhijeet Mining Limited and Corporate Ispat Alloys Limited. For details, please see “Our Promoters and Promoter Group” on page 247
Promoter Group	Refers to such persons and entities which constitute the promoter group of our Company in terms of Regulation 2 (1) (zb) of the SEBI Regulations and a list of which is provided in “Our Promoters and Promoter Group” on page 247
Registered Office	The registered office of our Company, located at EN1, 3 rd Floor, Insignia Towers, Sector V, Salt Lake, Kolkata 700 091
RoC	Registrar of Companies, West Bengal situated at Nizam Palace, 2 nd MSO building, 2 nd floor, 234/4, A.J.C. Bose Road, Kolkata 700 020

* As defined in the Concession agreement between MADDC and AMNEPL dated November 7, 2007

Issue Related Terms

Term	Description
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to this Issue to the successful Bidders in accordance with the Prospectus and Bid cum Application Form
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who has Bid for a minimum of ₹ 100 million
Anchor Investor Allocation Notice	Notice or intimation of allocation of Equity Shares sent to Anchor Investors who have been allocated Equity Shares
Anchor Investor Bid/Issue Period	The day, one Working Day prior to the Bid/Issue Opening Date, on which bidding by Anchor Investors shall open and be completed and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and 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 our Company in consultation with the GCBRLMs and the BRLMs
Anchor Investor Portion	Up to 30% of the QIB Portion which may be allocated by our Company to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by all Bidders to make a Bid authorising an SCSB to block the Bid Amount in relevant ASBA account maintained with the SCSB. ASBA is mandatory for QIBs and Non-Institutional Bidders
Appraising Entities	SBI Capital Markets Limited, Axis Bank Limited, Punjab National Bank and UCO Bank
ASBA Account	An account maintained with the SCSB and specified in the ASBA Bid cum

Term	Description
	Application for blocking the amount mentioned in the ASBA Bid cum Application Form
ASBA Bid cum Application Form	The form, whether physical or electronic, used by a Bidder to make a Bid 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 Prospectus
ASBA Bidder	Prospective 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 their ASBA Bid cum Application Form or any previous ASBA revision form(s)
Axis	Axis Bank Limited
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue and with whom the Escrow Account will be opened, 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 “Issue Procedure – Basis of Allotment” on page 511
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to the submission of Bid cum Application Form, or during the Anchor Investor Bid/ Issue Period by the Anchor Investors, to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto in accordance with the terms of the Red Herring Prospectus
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid. For Eligible Employees Bidding in the Employee Reservation Portion, the same shall be net of the Eligible Employee Discount, if any
Bid cum Application Form	The form used by a Bidder (which, unless expressly provided, includes the ASBA Bid cum Application Form by an ASBA Bidder, as applicable) to make a Bid and which will be considered as the application for Allotment for the purposes of the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
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 this Issue, which shall be notified in an English national daily newspaper, a Hindi national daily newspaper and a Bengali newspaper, each with wide circulation
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 an English national newspaper, a Hindi national newspaper and a Bengali newspaper, each with wide circulation
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Book Building Process	The book building process as provided in Schedule XI of the SEBI Regulations, in terms of which the Issue is being made
BRLMs	The Book Running Lead Managers to the Issue, in this case being Axis Bank Limited, IDFC Capital Limited, SBI Capital Markets Limited and UBS Securities India Private Limited
CAN/Confirmation of Allotment Note	Note or advice or intimation of allotment sent to the Bidders who will be Allotted Equity Shares after the Basis of Allotment has been approved 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 co-ordinate with the GCBRLMs, the BRLMs, the Registrar to the Issue and the Stock Exchanges and a list of which is available at

Term	Description
	http://www.sebi.gov.in/pmd/scsb.pdf
Cut-off Price	Issue Price, finalised by our Company in consultation with the GCBRLMs and the BRLMs. Only Retail Individual Bidders and Eligible Employees are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding ₹ 200,000. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs at which ASBA Bid cum Application Forms used by the ASBA Bidders may be submitted and a list of which is available on http://www.sebi.gov.in
Designated Date	The date on which funds are transferred from the Escrow Account or the amount blocked by the SCSBs is transferred from the ASBA Accounts, 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
Designated Stock Exchange	[●]
Draft Red Herring Prospectus	This draft red herring prospectus dated June 29, 2011 issued in accordance with the Companies Act and the SEBI Regulations, which does not contain complete particulars of the price at which the Equity Shares are offered and the size of the Issue
Eligible Employees	Permanent and full-time employees of our Company, our holding company (Abhijeet Mining Limited), our Subsidiaries and the Directors as on the date of the Red Herring Prospectus and does not include our Promoters and immediate relatives of our Promoter, wherever applicable
Eligible Employee Discount	Discount of ₹ [●] to the Issue price, which is up to 10% of the Issue Price, at which our Company may decide to Allot the Equity Shares to Eligible Employees in the Employee Reservation Portion
Eligible NRI	NRI(s) from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares
Employee Reservation Portion	The portion of the Issue being up to [●] Equity Shares aggregating up to ₹ 100 million available for allocation to Eligible Employees
Enam	Enam Securities Private Limited
Engagement Letter	Engagement letter dated December 24, 2010 between our Company, the GCBRLMs and the BRLMs
Equity Shares	Equity shares of our Company of face value of ₹ 10 each fully paid unless otherwise specified in the context thereof
Escrow Account	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 dated [●] to be entered into between our Company, the Registrar to the Issue, the GCBRLMs, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
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
GCBRLMs / Global Coordinators and Book Running Lead Managers	The global coordinators and book running lead managers to the Issue, in this case being DSP Merrill Lynch Limited and Enam Securities Private Limited
IDFC Capital	IDFC Capital Limited
Issue	Public issue of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating to ₹ 13,750 million. It comprises of a Net Issue to the public aggregating to ₹ [●] million and a reservation for Eligible Employees aggregating

Term	Description
	up to ₹ 100 million. Our Company is considering a Pre-IPO placement of up to 333,333,333 Equity Shares with various investors (“Pre-IPO Placement”) for an amount not exceeding ₹ 5,000 million. The Pre-IPO Placement will be at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement subject to a minimum Issue size of 10% of the post-Issue paid-up equity share capital being offered to the public
Issue Agreement	The agreement dated June 29, 2011 entered between our Company, the GCBRLMs 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 the Issue. The Issue Price will be decided by our Company in consultation with the GCBRLMs and the BRLMs on the Pricing Date. However, for the purpose of Anchor Investors, this price shall be the Anchor Investor Issue Price
Issue Proceeds	The proceeds of the Issue that are available to our Company
Listing Agreements	The equity listing agreement(s) to be entered into by our Company with the Stock Exchanges
Merrill Lynch	DSP Merrill Lynch Limited
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion (excluding the Anchor Investor Portion)
Net Issue	The Issue less the Employee Reservation Portion
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the Net Proceeds, please see “Objects of the Issue” on page 81
Non-Institutional Bidders	All Bidders, including sub accounts of FIIs registered with SEBI which are foreign corporates, or foreign individuals, that are not QIBs, Retail Individual Bidders or Eligible Employees Bidding under the Employee Reservation Portion and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Net Issue consisting of [●] Equity Shares available for allocation to Non-Institutional Bidders
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non Resident Indian
Pre-IPO Placement	A pre-IPO placement of up to 333,333,333 Equity Shares with various investors for an amount not exceeding ₹ 5,000 million being considered by our Company which, if undertaken will be completed prior to the filing of the Red Herring Prospectus with the RoC
Price Band	Price Band of a minimum price of ₹ [●] (Floor Price) and the maximum price of ₹ [●] (Cap Price) and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company in consultation with the GCBRLMs and the BRLMs and advertised, at least two working days prior to the Bid/ Issue Opening Date, in all editions of [●], an English national daily, all editions of [●], a Hindi national daily and [●] edition of [●], a Bengali newspaper with wide circulation
Pricing Date	The date on which our Company, in consultation with the GCBRLMs and the BRLMs, finalises the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information

Term	Description
Public Issue Account	An account opened under section 73 of the Companies Act with the Bankers to the Issue to receive monies from the Escrow Account and where the funds transferred by the SCSBs from the ASBA Accounts shall be received on the Designated Date
QIB Portion	The portion of the Issue being at least 50% of the Net Issue consisting of [●] Equity Shares to be Allotted to QIBs
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FIIs and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, multilateral and bilateral development financial institutions, venture capital fund registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares will be 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 the Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding the ASBA Bidders) shall be made
Refund Bank(s)	[●]
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable
Registrar to the Issue	Link Intime India Private Limited
Retail Individual Bidder(s)	Individual Bidders who have Bid for Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Issue (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Net Issue being not less than 35% of the Net Issue consisting of [●] Equity Shares available for allocation to Retail Individual Bidder(s)
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)
SBI Caps	SBI Capital Markets Limited
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time
Self Certified Syndicate Bank(s) or SCSB(s)	A banker to the Issue registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in
Stock Exchanges	BSE and NSE
Syndicate	GCBRLMs, BRLMs and the Syndicate Members
Syndicate Agreement	The agreement dated [●] to be entered into between the Syndicate and our Company in relation to the collection of Bids in this Issue
Syndicate Members	[●]
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate or the SCSB (only on demand), as the case may be, to the Bidder, as proof of registration of the Bid
UBS	UBS Securities India Private Limited
Underwriters	GCBRLMs, BRLMs and the Syndicate Members
Underwriting Agreement	The agreement between the Underwriters and our Company to be entered into on or after the Pricing Date

Term	Description
Working Day	All days except Sunday and any public holiday, except during the Issue Period where a working day means all days other than a Saturday, Sunday or a public holiday on which banks in Mumbai are open for business

Technical/Industry Related Terms

Term	Description
Air Act	Air (Prevention and Control of Pollution) Act, 1981
BOT	Build, operate and transfer
BSPCB	Bihar State Pollution Control Board
BTG	Boiler, Turbine and Generator
CEA	Central Electricity Authority
Central Coalfields	Central Coalfields Limited
CERC	Central Electricity Regulatory Commission
CPCB	Central Pollution Control Board
EIA	Environmental Impact Assessment
Electricity Act	The Electricity Act, 2003
EPC	Engineering, Procurement and Construction
ERC	Electricity Regulatory Commission
GCV	Gross calorific value
IPP	Independent Power Producer
JSEB	Jharkhand State Electricity Board
JSPCB	Jharkhand State Pollution Control Board
kV	Kilo volt
kW	Kilo watt
Land Revenue Code	Maharashtra Land Revenue Code, 1966
MIDC	Maharashtra Industrial Development Corporation
MLD	Million litres per day
MGD	Million gallons per day
MoEF	Ministry of Environment and Forests
MPCB	Maharashtra Pollution Control Board
Ministry of Coal	Ministry of Coal, Government of India
MW	Mega watt
O&M	Operation and Maintenance
PGCIL	Power Grid Corporation of India Limited
PLF	Plant load factor
PPA	Power purchase agreement
SEB	State Electricity Board
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Western Coalfields	Western Coalfields Limited

Conventional/General Terms

Term	Description
AS / Accounting Standards	Accounting standards issued by ICAI
BPLR	Benchmark prime lending rate
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956, as amended from time to time
Consolidated FDI Policy	The Consolidated FDI Policy issued from time to time by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry,

Term	Description
	Government of India
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996, as amended from time to time
DIN	Director Identification Number
DP/Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's Identity
ECB	External commercial borrowings
EGM	Extraordinary General Meeting
EPS	Unless otherwise specified, Earnings Per Share, which is the profit after tax for a fiscal year divided by the weighted average of outstanding number of equity shares at the end of the fiscal year
Euro or €	Euros, currency of the European Union
FCNR	Foreign currency non-resident account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder and amendments thereto
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995, registered with SEBI under applicable laws in India
Financial Year/ Fiscal/ Fiscal Year/FY	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 from time to time
GDP	Gross Domestic Product
GoI/ Government	Government of India
GoJ	Government of Jharkhand
Ha	Hectare
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IND AS	Indian Accounting Standards converged with International Financial Reporting Standards
Income Tax Act	Income Tax Act, 1961, as amended from time to time
IRDA	Insurance Regulatory and Development Authority
IT	Information Technology
Indian GAAP	Generally Accepted Accounting Principles in India
JV	Joint Venture
MICR	Magnetic ink character recognition
Mn	Million
MTPA	Metric ton per annum
MMPA	Million metric tons per annum
MoU	Memorandum of Understanding
NAV	Net Asset Value
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NOC	No objection certificate
NR	Non Resident
NRE Account	Non Resident External Account

Term	Description
NRI	A person resident outside India, as defined under FEMA, who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
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
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
RBI	Reserve Bank of India
Re./ ₹	One Indian Rupee
RoNW	Return on Net Worth
Rs. /Rupees/ ₹	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
Securities Act	U.S. Securities Act, 1933, as amended from time to time
SEZ	Special Economic Zone
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
State Government	The government of a state in India
Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
U.S./ United States	United States of America
US\$ or USD	United States Dollars
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Tax Benefits” and “Financial Statements” on pages 517, 96 and 290 respectively, will have the same meaning given to such terms in these respective sections.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

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 “U.S.A” are to the United States of America.

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our consolidated financial statements prepared in accordance with Indian GAAP and restated in accordance with the SEBI Regulations, which are included in this Draft Red Herring Prospectus. Our fiscal year commences on April 1 and ends on March 31 of the following year.

Our financial statements as of and for the Fiscal 2010 and the nine months ended December 31, 2010 consolidate the financial results of our subsidiaries, AMNEPL, JIPL and our joint venture, CPL and the joint venture of JIPL, MCCPL. We acquired majority shareholding of JIPL in March 2010. Pursuant to the Composite Scheme of Arrangement, among our Company, AINL and APRL, the power business of AINL was amalgamated with our Company on March 31, 2010. In prior fiscal periods, we did not have any subsidiaries or joint ventures, hence our financial statements as of and for the Fiscals 2009, 2008, 2007 and 2006 are unconsolidated financial statements.

There are significant differences between Indian GAAP, IND AS and U.S. GAAP. Our financial statements and reported earnings could be different in a material manner from those which would be reported under IND AS or U.S. 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. Please see “Risk Factors – Significant differences exist between Indian GAAP and other accounting principles, such as IFRS, which may be material to investors’ assessment of our financial condition and results of operations. Our failure to successfully convert to IND AS within the prescribed time framework could have an adverse effect on our stock price” on page 44. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

In this Draft Red Herring Prospectus, discrepancies, if any, in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off. Any percentage amounts, as set forth in the sections “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 13, 125 and 367 respectively in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated summary financial statements prepared in accordance with the Indian GAAP.

Currency, Units of Presentation and Exchange Rates

All references to “Rupees” or “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “USD” or “US\$” are to United States Dollars, the official currency of the United States of America. All references to “Euro” or “€” are to Euros, the official currency of the European Union. In this Draft Red Herring Prospectus, our Company has presented certain numerical information in “million” units. One million represents 1,000,000.

The exchange rates of the USD are as stated below:

Fiscal Year	Year End	Average	High	Low
2009	50.95	45.91	52.06	39.89
2010	45.14	47.42	50.53	44.94
2011	44.65	45.58	47.57	44.03
Month	Month End	Average	High	Low
December 2010	44.81	45.16	45.70	44.81
January 2011	45.95	45.39	45.95	44.67

Fiscal Year	Year End	Average	High	Low
February 2011	45.18	45.44	45.81	45.11
March 2011	44.65	44.99	45.27	44.65
April 2011	44.38	44.37	44.68	44.04
May 2011	45.03	44.90	45.38	44.30

Source: Reserve Bank of India

The exchange rates of the Euro are as stated below:

Fiscal Year	Year End	Average	High	Low
2009	67.48	65.14	69.17	60.57
2010	60.56	67.08	71.06	60.52
2011	63.24	60.21	63.98	56.07
Month	Month End	Average	High	Low
December 2010	59.81	59.68	60.31	59.12
January 2011	62.54	60.53	62.73	58.63
February 2011	62.15	62.09	63.16	61.41
March 2011	63.24	63.03	63.98	62.32
April 2011	65.83	64.23	65.83	63.01
May 2011	64.75	64.48	66.23	63.57

Source: Reserve Bank of India

Unless otherwise stated, our Company has, in this Draft Red Herring Prospectus, used the conversion rates of ₹ 45.32 and ₹ 60.05 for one U.S. Dollar and one Euro respectively, as of December 31, 2010, for the respective currencies.

Definitions

For definitions, please see “Definitions and Abbreviations” on page 1. In “Main Provisions of Articles of Association” on page 517, defined terms have the meaning given to such terms in the Articles.

Industry and Market Data

Unless stated otherwise, the industry data used throughout this Draft Red Herring Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications have been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that the industry 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.

In accordance with the SEBI Regulations, we have included in the section titled “Basis for Issue Price” on page 92, information pertaining to our peer group companies. Such information has been derived from publicly available annual reports of the peer group companies and verified by a chartered accountant as certified through certificate dated June 28, 2011.

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 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 terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue” 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 our 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, regulatory changes pertaining to the industries in India and our ability to respond to them, our ability to successfully implement our strategy, our development plan, 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:

- our lack of operating history in the power generation business;
- our ability to commence operations of our power projects as expected;
- our ability to obtain necessary funds on acceptable terms to fund our power projects;
- our ability to effectively manage our growth;
- our ability to meet our debt service obligations;
- our ability to obtain fuel in a timely manner and at competitive prices, or at all; and
- our ability to successfully conduct mining operations.

For further discussions of factors that could cause our actual results to differ, please see “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 13 and 367, respectively.

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. Our Company, our Directors, the GCBRLMs, 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, our Company, the GCBRLMs and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permissions by the Stock Exchanges.

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a complete understanding, you should read this section in conjunction with the sections “Our Business” beginning on page 125 and “Management's Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 367 as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business, financial condition and results of operations. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the effect is not quantifiable and hence the same has not been disclosed in such risk factors. In making an investment decision, prospective investors must rely on their own examination of the Company and the terms of the Issue, including the risks involved.

Unless otherwise stated, the financial information of the Company used in this section is derived from our consolidated audited financial statements under Indian GAAP, as restated.

Internal Risks

- 1. The Indian income tax authorities have recently conducted search and seizure operations on the premises of the Company, its Subsidiaries, its Joint Venture, CPL, its Promoters, its Directors, and directors of its Subsidiaries, Joint Ventures and Group Companies. Based on the findings of these operations, the authorities may undertake proceedings which may result in demands for additional taxes, interest thereon, penalties and other punitive measures.***

In January 2011, the Indian income tax authorities have conducted search and seizure operations under Section 132 and surveys under Section 133A of the Income Tax Act, 1961 on the premises of the Company, its Subsidiaries, its Joint Venture, CPL, its Promoters, its Directors, and directors of its Subsidiaries, Joint Ventures and Group Companies. During the course of the search and seizure operations, the income tax authorities took custody of certain materials, including documents and records (including electronic files). Subsequently, the income tax authorities have sought further information, documents and explanations. Pursuant to these enquiries, certain information has been reported to the relevant income tax authorities. For further details, see “Outstanding Litigation and Material Developments” on page 426.

Based on the findings of these search, seizure and survey operations and the additional reported information, the income tax authorities may undertake proceedings which may result in demands for payment of additional taxes, interest on such additional taxes and penalties against the Company, its Subsidiaries, Joint Venture, Promoters and Directors. We have, however, not yet received any demand notice from the income tax authorities in connection with these search and seizure operations and any financial liability that may arise on this account is presently unascertainable and will be determined upon conclusion of the proceedings. In addition, the respective directors of such companies could also be held liable for violation of, or offences under the provisions of the Income Tax Act, which may result in fines and/or imprisonment. We cannot assure you that we will not be required to pay any additional tax, interest or penalty, which may have an adverse affect on our business, reputation, financial condition and results of operations.

- 2. AMNEPL is not in compliance with certain covenants in its loan agreements due to delays, among other things, in commissioning of the MIHAN Power Project, which has resulted in AMNEPL paying penal interest and which could, among other things, result in acceleration of the payment obligations on some or all of AMNEPL's outstanding indebtedness.***

Under its financing agreements for setting up the MIHAN Power Project, AMNEPL is required to comply

with various covenants, including compliance with environmental laws and achieving the commercial operation date for the first and second units of the MIHAN Power Project by September 30, 2010, for the third unit by November 30, 2010 and for the fourth unit, the diesel generator sets, the transmission line and the MIHAN Power Project as a whole by March 31, 2011. However, the commercial operation date for the first, second and third units was only achieved in January, May and April 2011, respectively, while the commercial operation date for the fourth unit is expected to be achieved in July 2011. Although we have received consent for trial runs, we have not yet received the consent to operate for the third and fourth units. The commissioning of the diesel generator sets and the construction of the transmission line are expected to be completed by September 30, 2011. Additionally, there has been a delay in the creation of security over land, on account of which AMNEPL has paid, and continues to pay, penal interest under one of its financing agreements. The amount of penal interest paid as of May 27, 2011 is US\$236,977.46. However, the delay in the creation of security over land exists under a number of financing agreements. Consequently, if lenders under such financing agreements were to assess penal interest on AMNEPL, our results of operations and financial condition may be adversely affected.

The failure to create a security over the land is on account of a delay in the receipt of land from MADC. Although AMNEPL has applied to its lenders for a waiver of this penal interest, including past penal interest paid, there can be no assurance that such waiver will be granted and AMNEPL may continue to be required to pay penal interest.

As a result, AMNEPL is not in compliance with some of its loan covenants which constitutes an ‘event of default’ under each of AMNEPL’s financing agreements for setting up the MIHAN Power Project. AMNEPL has informed its lenders of delay in commercial operation date for the various units, diesel generator sets and transmission line in April and May 2011, but such lenders have not granted any waivers in relation to such non-compliance with covenants. AMNEPL (i) began repayment of amounts outstanding under the debt facilities related to the MIHAN Power Project in April 2011, (ii) borrowed ₹ 60.34 million under such facilities in May 2011, and (iii) has not yet received any notice of default under such facilities, however, we cannot assure you that the lenders under such facilities will not issue a notice of default to AMNEPL as a result of AMNEPL not being in compliance with covenants under such facilities. Consequently, if AMNEPL’s lenders declare AMNEPL in default of the terms of its financing agreements for setting up the MIHAN Power Project, AMNEPL’s lenders would be entitled to, among other things, cancel undisbursed amounts, accelerate repayment of outstanding amounts, enforce the security interest and take over the power project, which would adversely affect our liquidity, business and operations. For details of AMNEPL’s financing agreements for the MIHAN Power Project, see “Our Business” and “Financial Indebtedness” on pages 125 and 381, respectively.

Additionally, any event of default by AMNEPL under the financing agreements may also lead to an event of default under (i) the concession agreement with MADC and (ii) the lease deeds for lease of approximately 41.29 hectares of land by MADC. If such event of default is determined by MADC or is so adjudicated, MADC is entitled to take over the MIHAN Power Project on payment of 90.0% of the debt due, without any further compensation to AMNEPL. In addition, any default under the concession agreement with MADC would also be considered a default under the lease deeds. In the event of default under the lease deeds, MADC would be entitled to take possession of the leased premises from AMNEPL without any compensation. For details relating to terms of the concession agreement, see “Description of Certain Key Contracts” on page 151.

Further, if lenders declare AMNEPL to be in default, such event may also adversely affect financing for our other projects under implementation.

3. *The sale of power to certain third parties by AMNEPL was not in compliance with the Concession Agreement and lease deeds.*

Under the Concession Agreement and one of the lease deeds (for lease of 35.03 hectares of land for the MIHAN Power Project), AMNEPL is required to seek the written consent of the granting authority, MADC, prior to sale of surplus power from the MIHAN Power Project to parties outside the MIHAN SEZ Area and MIHAN Area. AMNEPL has sold power within and outside the state of Maharashtra to certain

parties without receiving the prior consent of MADC. For example, AMNEPL sold power to Tata Power Trading Company Limited (“Tata Power”) from May 15, 2011 to May 25, 2011 for use outside of Maharashtra. In addition, AMNEPL sold power to third parties outside the MIHAN SEZ Area and within Maharashtra from January 6, 2011 to May 23, 2011 without the required consent of MADC. Moreover, although MADC has recently consented to sales to third parties within Maharashtra and outside of the MIHAN SEZ Area, MADC has declined to consent to sales of power to third parties outside of Maharashtra. Consequently, as a result of such sales, AMNEPL has not complied with the provisions of the Concession Agreement and the lease deeds with MADC for the MIHAN Power Project.

For certain sales being made on a firm arrangement basis, intimations were provided to MADC in November and December 2010, wherein MADC refused consent, on the ground that consent could not be granted until AMNEPL made arrangements for construction of transmission line for supply of power to customers within the MIHAN SEZ Area and MIHAN Area. However, AMNEPL commenced such sales despite the refusal of consent by MADC. AMNEPL applied to MADC, pursuant to a letter dated May 18, 2011, for permission to sell power from the MIHAN Power Plant, on an ongoing basis to third parties, to enable it to meet repayment obligations to lenders. MADC has permitted AMNEPL, by letter dated May 24, 2011, to sell excess power within Maharashtra under the terms and conditions of the Concession Agreement and applicable rules and regulations. However, this approval would be automatically revoked if AMNEPL is unable to complete the construction of the transmission line from MIHAN Power Plant to MIHAN SEZ by September 30 2011, unless extended.

The sale of electricity to third parties without the prior consent of MADC constitutes a breach under the Concession Agreement and an event of default under the lease deeds, entitling MADC to terminate these agreements if such defaults continue and are not cured within a specified period, where applicable. AMNEPL has not received any notice for any breach of terms of the Concession Agreement or lease deeds from MADC. In case any such notice is served on AMNEPL, and the breach is not cured, if a period to cure such breach exists in the underlying agreement, it may lead to termination of the Concession Agreement and the lease deeds, entitling MADC to take over the MIHAN Power Project on payment of 90% of the debt due, without any further compensation to AMNEPL. Further, any breach of the Concession Agreement or the lease deeds may also trigger events of default under AMNEPL’s financing agreements relating to the MIHAN Power Project, which may lead to consequences as set out under risk factor, “-AMNEPL is not in compliance with certain covenants in its loan agreements due to, among other things, delays in commissioning of the MIHAN Power Project, which has resulted in AMNEPL paying penal interest and which could, among other things, result in acceleration of the payment obligations on some or all of AMNEPL’s outstanding indebtedness”.

4. *AMNEPL has had differences in the past and also has certain ongoing differences with MADC, the granting authority under the Concession Agreement for the MIHAN Power Project.*

AMNEPL has had differences in the past and also has certain ongoing differences with MADC, the granting authority under the Concession Agreement for the MIHAN Power Project and a shareholder of AMNEPL. For instance, AMNEPL has been paying higher rates for water used in the MIHAN Power Project than those stipulated in the Concession Agreement. There can be no assurance that AMNEPL will be able to resolve such differences.

Further, pursuant to the terms of the Concession Agreement, MADC shall assist AMNEPL in the development of the MIHAN Power Plant, such as providing leasehold land for building construction, areas for ash disposal and to ensure the supply of water to the MIHAN Power Plant. In addition to the Concession Agreement, AMNEPL has also entered into two lease agreements with MADC. Cancellation, early termination or nonrenewal of the Concession Agreement or the lease deeds may require AMNEPL to transfer the MIHAN Power Project to MADC. There can be no assurance that if the Concession Agreement or the lease deeds are renewed, they would be on similar terms or on terms favourable to AMNEPL. Any delay or inability of MADC to provide assistance to AMNEPL as required under the Concession Agreement may result in delays in the development of the MIHAN Power Plant or difficulties in the efficient operation of the plant after commissioning is complete.

Further, under the Concession Agreement, AMNEPL is required to furnish a performance security deposit (which is required to be submitted during construction) of an amount equal to 5% of the total project cost, which would terminate 30 days after the commercial operation date subject to the submission of an operations security deposit of ₹ 35 million. In February 2011, MADC has requested AMNEPL to submit the operations security deposit, in response to which AMNEPL sought a confirmation from MADC that the performance security guarantee submitted would be released. Subsequently, MADC has by its letter in March 2011 intimated that while AMNEPL is required to submit performance security deposit for 5% of the total project cost, it has submitted only ₹ 420 million and requested that the balance performance security be deposited immediately in addition to submission of the operations security deposit. Failure to submit operations security deposit within 30 days of the commercial operation date may constitute an event of default. In addition, AMNEPL has intimated the commercial operation date to MADC and may therefore be in breach of the terms of the Concession Agreement by not providing the operations security deposit to MADC. If such event of default is determined by MADC or is so adjudicated, MADC is entitled to take over the MIHAN Power Project on payment of 90% of the debt due, without any further compensation to AMNEPL. Any such breach of the Concession Agreement may also lead to a breach of the lease deeds, which may lead to consequences as set out in risk factor “- AMNEPL is not in compliance with certain covenants in its loan agreements due to delays in commissioning of the MIHAN Power Project, which has resulted in AMNEPL paying penal interest and which could, among other things, result in acceleration of the payment obligations on some or all of AMNEPL’s outstanding indebtedness”, as also an event of default under the financing agreements for setting up of the MIHAN Power Project, may lead to consequences as set out in risk factor “AMNEPL was not in compliance with the Concession Agreement and lease deeds on account of sale of power to third parties.” For details relating to terms of the Concession Agreement, see “Description of Certain Key Contracts” on page 151.

5. *Any disruption in the development or operation at one or more of our projects could adversely affect our financial condition and results of operations.*

The breakdown or failure of generation equipment, civil structure or other equipment can disrupt generation of electricity by any of our power projects and result in performance being below expected levels. In addition, the development or operation of our power projects may be disrupted for reasons that are beyond our control, including explosions, fires, earthquakes and other natural disasters, breakdown, failure or sub-standard performance of equipment, improper installation or operation of equipment, accidents, operational problems, transportation interruptions, other environmental risks, and labour disputes. Further, any breakdown or failure of transmission systems can disrupt transmission of electricity from our power projects to the applicable delivery point. In the event that we fail to supply the minimum guaranteed power at the delivery points specified in PPAs, in terms of “supply or pay” obligations under such PPAs, we may be required to pay for the deficient minimum guaranteed power or the cost differential for the power procured by the consumer from alternate sources. For instance, AMNEPL was required to pay approximately ₹ 1.34 million to Tata Power for failure to provide 80.0% of the approved open access amount from the MIHAN Power Project specified in the PPA with Tata Power for the month of March 2011.

Disruptions in the development or operation of a power project may also trigger events of default under certain agreements. For example, under the concession agreement with MADC for the MIHAN Power Project, if AMNEPL fails to achieve commercial operations within three months after the scheduled commercial operation date, abandons construction of the power project for a period of 30 consecutive days before achieving commercial operations or fails to construct the power project in a diligent manner for a period of 30 consecutive days before achieving commercial operations, it shall constitute an event of default. The scheduled commercial operation date pursuant to the concession agreement is May 7, 2011, and accordingly, we are required to complete the project by August 6, 2011. However, we currently expect to complete the installation of the diesel generator sets and construction of the transmission line to the MIHAN SEZ by September 2011, which could lead to an event of default under the Concession Agreement. Further, in terms of the Concession Agreement, every day’s delay (beyond May 7, 2011) makes us liable for payment of liquidated damages to MADC of ₹ 1.2 million multiplied by the capacity price per unit, which is ₹ 1.17, subject to a cap of 10 % of the total project cost. In addition, AMNEPL is required to pay ₹ 0.6 million multiplied by the capacity price per unit, for every day of delay in every event

of delay with respect to each construction milestone under the Concession Agreement. AMNEPL has missed certain construction milestones including the construction milestone in respect of the commissioning of the transmission line to the MIHAN SEZ Area from the MIHAN Power Project. Although no notice of penalty has been issued by MADC, we cannot assure you that no such notice will be issued in the future. Further, if AMNEPL fails to supply uninterrupted power to consumers in the MIHAN Area for a consecutive period of 87 hours in one year, it shall constitute an event of default. In the case of any event of default by AMNEPL under the concession agreement with MADC, MADC has the right to terminate the concession agreement and take over the MIHAN Power Project by paying only 90.0% of the total debt due. For details, see “Description of Certain Key Contracts” on page 151. Any termination of the concession agreement by MADC could have an adverse effect on our business, results of operations and financial condition.

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

6. *AMNEPL has been in violation of applicable environmental laws in relation of operation of the MIHAN Power Project, and this may lead to proceedings against AMNEPL, its directors and/or its employees.*

All power generation companies, are required under the provisions of the Air Act, Water Act and Environmental Protection Act and rules issued thereunder to obtain requisite consents from their respective state pollution control boards, which in the case of AMNEPL is the MPCB, prior to operating any of the units of the power plant on a trial or commercial basis. The consequences of operating a power plant without obtaining the relevant consents could include (i) the closing of the power plant, (ii) the imposition of criminal liability for directors and employees, and (iii) the imposition of civil liability for fines and penalties on directors or employees, as the case may be.

AMNEPL applied for the requisite consents for all four units on June 9, 2010. AMNEPL received the consent to operate for the first two units of MIHAN Power Project on January 10, 2011. Prior to receipt of the consent to operate, AMNEPL had operated the first unit for a certain period after the expiry of term of the permission for trial runs and was in non-compliance of the Air Act, Water Act and Environmental Protection Act for such period. Though AMNEPL has received permission for trial runs for the third and fourth units of the MIHAN Power Project, dated June 10, 2011 and are valid until July 9, 2011, it has yet to receive the consent to operate for the third and fourth units. MPCB has, through its letter dated June 23, 2011, informed AMNEPL that its application is currently under consideration. AMNEPL operated the third unit of the MIHAN Project for a certain period, prior to receiving permission for trial runs, and consequently is subject to sanctions and other consequences under the Air Act, Water Act and Environmental Protection Act. We cannot assure you that the relevant authorities will not initiate action on account of AMNEPL’s non-compliance. Further, AMNEPL has received a show cause notice dated February 7, 2011, from MPCB in connection with the lack of adequate pollution control systems to dispose of fly ash. AMNEPL has replied to such show cause notice pursuant to a letter dated February 16, 2011. For further details, refer “Outstanding Litigation and Material Developments” on page 426.

The commencement of environmental actions against us or the imposition of any penalties or fines as a result thereof may adversely affect our business and results of operations. Further, such non-compliance may also result in an event of default under its financing agreements, which may lead to consequences set out in the risk titled “ – AMNEPL is not in compliance with certain covenants in its loan agreements due to delays in commissioning of the MIHAN Power Project, which has resulted in AMNEPL paying penal interest and which could, among other things, result in acceleration of the payment obligations on some or all of AMNEPL’s outstanding indebtedness” on page 13.

We could be subject to substantial civil and criminal liability and other regulatory consequences if an environmental hazard was to be found at the site of any of our power stations, or if the operation of any of our power stations significantly contaminates the environment. We may also be the subject of public interest litigation in India relating to allegations of environmental pollution by our projects, as well as cases having potential criminal and civil liability filed by state pollution control authorities. Litigating and any adverse judgments from such cases could adversely affect our business and results of operations.

7. *One of our Group Companies has faced allegations of violations of securities laws in respect of which SEBI has passed a consent order. Two of our Group Companies had been prohibited from buying, selling or dealing in securities or accessing capital markets.*

Abhijeet Cement Limited has been served with a show cause notice dated May 7, 2009 by SEBI in relation to the alleged offences committed by it in its dealings in the securities of Silicon Valley Infotech Limited on the Calcutta Stock Exchange Association Limited between November 1, 2002 and April 23, 2003. Abhijeet Cement Limited has received a consent order dated March 25, 2011 in relation to this notice upon payment of ₹ 0.5 million consent fee.

By a SEBI order dated September 6, 2005, passed in connection with alleged irregularities in preferential allotment by a company named Aastha Broadcasting Network Limited in August, 2000, Abhijeet Projects Limited (“APRL”) and Indo Invest Vision Limited (“IIVL”) were prohibited from buying, selling and dealing in securities and accessing the capital markets until January 14, 2007. Further, SEBI has filed a civil suit before the Bombay High Court against certain persons and entities including Abhijeet Projects Limited and Indo Invest Vision Limited in relation to preferential allotment of shares by Aastha Broadcasting Network Limited.

We have entered into EPC contracts with APRL for the MIHAN Power Project, the Chandwa Power Project, the Banka Power Project, our 1,320 MW Power Project under planning at Banka, Bihar and our 660 MW coal-fired power project under planning at Chandwa, Jharkhand. Any adverse ruling against APRL may adversely affect its ability to honour its contractual commitments to us, and may consequently have an adverse effect on our business, results of operations and financial condition. In addition, any decision in the suit before the Bombay High Court which is adverse to the interests of APRL or IIVL may have an adverse effect on our reputation and the reputation of our Promoters, and consequently on the trading price of our Equity Shares. For details, see “Outstanding Litigation and Material Developments” on page 426.

8. *We have a limited operating history in the power generation business, so it is difficult to estimate our future performance.*

We currently have two power project units, with aggregate installed capacity of 123.0 MW, in operation. A third unit of 61.5 MW has achieved commercial operation. However, the relevant pollution control approval to operate the third unit on a commercial basis has not yet been received. We have no other power projects in operation and have a limited operating history from which you can evaluate our business and future prospects and viability. Thus, we have limited experience that demonstrates our ability to develop and manage large-scale power projects including our ability to manage the growth of our business. The development of power projects involves various risks, including among others, regulatory risk, construction risk, financing risk and the risk that these projects may not be completed or may be unprofitable. Developing power projects also poses significant challenges to our management, administrative, financial and operational resources. Moreover, you should not evaluate our prospects and viability based on the performance of our Promoters or Group Companies. Our prospects must be considered in light of the risks and uncertainties inherent in new business ventures. Any inability to effectively develop and operate our power projects could adversely affect our business prospects, financial condition and results of operation.

9. ***Failure to commence operations of our power projects as expected could adversely affect our business, financial condition and results of operations.***

We are currently developing three power projects with an aggregate capacity of 2,671.6 MW of power that are at various stages of development. These power projects have long gestation periods due to the processes involved in commissioning power projects. Power projects typically require months or even years after being commissioned before positive cash flows can be generated, if at all. As a result, the probable effect of our power projects on our financial performance is difficult to evaluate. In addition, given the amount of developmental activity in the power sector in India, the commercial viability of our power projects under development may need to be re-evaluated and we may not be able to realize any benefits or returns on investments as estimated.

The scheduled completion targets for our projects are estimates and are subject to risks, including, among others, contractor performance shortfalls, unforeseen engineering problems, *force majeure* events, unanticipated cost increases or changes in scope and delays in obtaining certain property rights, fuel supply and government approvals and licenses, any of which could give rise to delays, cost overruns or the termination of a project's development. The scheduled commencement of operations at our MIHAN Power Project was delayed due to an explosion, which occurred on April 1, 2011 in a boiler of the project, and due to delay in acquisition of land.

AMNEPL's concession agreement with the Maharashtra Airport Development Company Limited ("MADC") for the construction and operation of the MIHAN Power Project requires that MADC appoint AMNEPL as its sole franchisee, however such agreement has not yet been executed. Further, certain licenses and approvals have been granted in the name of an entity other than the entity setting up the power project and will need to be transferred. Similarly, certain approvals related to the Chitarpur coal block have been granted to Corporate Ispat Alloys Limited ("Corporate Ispat"), a Promoter, which will be responsible for obtaining and renewing approvals related to the Chitarpur coal block in the future. For instance, Corporate Ispat is required to apply to the MoEF for an increase in mining capacity of the Chitarpur coal block from 2 MMTPA to 3.45 MMTPA, but has not yet done so. If Corporate Ispat fails to obtain or renew required approvals in a timely manner or at all, the operations of the Chandwa Power Project may be adversely affected. Any delay or failure in applying for or transferring relevant licenses and approvals, or any delay or failure in complying with the terms of relevant licenses and approvals by the entities to whom the licenses and approvals have been granted may have an adverse effect on AMNEPL or CPL, as the case may be.

MADC granted AMNEPL an extension of the effective date of the concession agreement entered into between AMNEPL and MADC from November 7, 2007 to January 7, 2009. However, we cannot guarantee you that similar extensions will be made in the future under the concession agreement entered into between AMNEPL and MADC or under other agreements.

In addition, we modified the capacities of MIHAN Power Project and the Chandwa Power Project subsequent to receipt of various government approvals, and entering into a concession agreement with MADC for the MIHAN Power Project and a memorandum of understanding with the Government of Jharkhand for the Chandwa Power Project. The capacities of, as well as the business rationale underlying, our power projects may also be subject to further amendments. As such, the projected capacities and business rationales set forth herein for our power projects may differ substantially from the final installed capacities of, and the business rationales underlying, the projects when completed.

Certain of our agreements also require us to complete our projects within a stipulated time frame and adhere to the specified project development schedule. Our failure to complete a project's development within the required period and in accordance with agreed specifications may result in higher costs, penalties or liquidated damages, lower returns on capital or reduced earnings or result in breaches under our concession agreement, PPAs or financing documents, giving the right to our counterparties to terminate such agreements.

10. *Any change in the tariffs of our off-take arrangements may adversely affect our results of operations.*

All power tariffs established through competitive bidding are subject to approval from regulatory authorities. For instance, the tariff agreed to in our Concession Agreement with MADC for development and operation of the MIHAN Power Project is required to be approved by the Maharashtra Electricity Regulatory Commission (“MERC”). Further, we have, agreed that, in the event the tariff fixed by MERC is lower than the tariff under the Concession Agreement with MADC to supply power to the consumers of MIHAN Area (including SEZ), AMNEPL shall supply power at the tariff fixed by MERC. To the extent tariffs are determined by regulators, the price at which we sell power may have little or no relationship to our cost of supplying this power under a long term PPA or Concession Agreement. Unless the regulator agrees to increase our tariffs, we may be limited in our ability to pass on to a customer the increased production costs required for the operation of our power projects, which may adversely affect our results of operations.

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

We operate in a highly capital intensive industry with relatively long periods of gestation before returns can be realised on investments. We will need to raise a significant amount of debt to finance our power projects that are currently in various stages of development. Even though we have definitive financing agreements with respect to a portion of the total debt requirement for all three of our power projects under development, our lenders could unilaterally terminate or decline to lend to us under such agreements. Further, lenders have committed to lend us certain amounts under sanction or underwriting letters for some of our power projects, however these commitments are subject to a number of conditions precedent, such as completion of documentation satisfactory to parties thereto, among others. We may not be able to fulfil all or any of the conditions or agree on commercial terms or non-commercial terms with these banks and financial institutions, in which case they would have no obligation to provide any loans to us.

Our ability to finance our projects is subject to a number of risks, contingencies and other factors, some of which are beyond our control, including tariff regulations, borrowing or lending restrictions, if any, imposed by the RBI, the amount of dividends that can be paid to our shareholders and general economic and capital markets conditions. Furthermore, adverse developments in the Indian and international credit markets may significantly increase our debt service costs and the overall cost of our funds. If the funding requirements of a particular power project increase, we will need to obtain additional sources of financing, which may not be available readily or on commercially reasonable terms.

Due to the number of large-scale infrastructure projects currently under development in India and increased lending from banks and financial institutions to these projects, we may be unable to secure sufficient funding from domestic sources and may be required to seek funding internationally, which may result in exposure to foreign exchange risks. For instance, for the development of the MIHAN Power Project, AMNEPL has obtained funding overseas by way of a foreign currency term loan in the amount of up to US\$ 20.86 million. Our inability to raise or to prevent delays in raising the capital required to fund the costs of our projects could adversely affect our ability to complete these projects, which would in turn adversely affect our revenues and profitability.

In addition, we currently intend to finance approximately 20.0% to 25.0% of the cost of these projects with our equity contributions and approximately 75.0% to 80.0% of the cost of these projects with third-party debt. While we believe that this debt to equity structure is indicative of the current market standard for financing power projects in India, this standard could change or financial institutions or investors could require additional equity contributions from us. Increasing our equity contribution would reduce our leverage for the project being financed and could adversely affect our expected returns.

Any failure to timely and adequately fund our projects could have an adverse affect on our business, financial condition and results of operations.

12. *Our inability to effectively manage our growth or to successfully implement our business plan could adversely affect our results of operations and financial condition.*

We expect that our growth strategy of developing three power projects with proposed capacity aggregating 2,671.6 MW over the next few years will place significant demands on our management, financial and other resources. In particular, our continued expansion increases the challenges we face in terms of financial and technical management, recruitment, training and retaining sufficiently skilled technical and management personnel, and developing and improving our internal administrative infrastructure. Our inability to manage our growth and business plan effectively and execute our growth strategy could adversely affect our business, results of operations and financial condition.

To manage our growth effectively, we must implement and improve operational systems, procedures and controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis or if there are weaknesses in our controls that would create inconsistencies in our internal operating procedures, we may be unable to meet our customers' needs, hire and retain employees, pursue new business, complete future strategic agreements or operate our business effectively. The inadequacy of our existing or future management, operational and financial systems, procedures and controls in supporting future operations or establishing or developing beneficial business relationships could adversely affect our business, results of operations and financial condition.

13. *Under the terms of our concession agreement and PPAs, we may be required to pay liquidated damages.*

Under the terms of our concession agreement and PPAs, we may be required to pay liquidated damages. For instance, with regard to the concession agreement with MADC for the development and operation the MIHAN Power Project, if the actual capacity is lower than the declared capacity, we are required to pay liquidated damages to MADC in the amount of ₹ 25.00 million for every MW of such shortfall or fraction thereof. In addition, under the terms of our PPA with Reliance Infrastructure Limited ("Reliance Infrastructure") for off-take of power from the MIHAN Power Project and as a result of the decision of the MERC on May 31, 2011 on our case filed against Reliance Infrastructure for breach of such PPA, we are required to commence the supply of power by July 1, 2011 or pay liquidated damages to Reliance Infrastructure. Under the terms of our PPA with Lanco Power Trading Limited ("Lanco"), if the declared capacity falls below 85.0% of the contracted capacity in a contract year, and such failure is not a result of a breach of the agreement by Lanco or any circumstance which would absolve us of liability, we are required to pay liquidated damages to Lanco.

As a result of the MADC letter dated May 24, 2011, which declines to approve the sale of power from the MIHAN Power Project outside of Maharashtra, we have stopped supplying power under one of our PPAs with Tata Power, which was for the sale of power outside the state of Maharashtra. Under that particular PPA with Tata Power, if the supply of power was less than 80.0% of the approved open access amount for a particular month, we are required to pay liquidated damages to Tata Power in the amount of ₹ 1.00 per kWh for each unit of shortfall for the relevant month. As a result, we have paid a penalty of ₹ 0.96 million for the month of May which was deducted by Tata Power from our bill for that month. In addition, Tata Power has assessed, and AMNEPL has paid, a penalty of ₹ 7.78 million for the month of June. In addition, due to shortfall in power supply for the months of March 2011 and April 2011 in respect of another of AMNEPL's PPAs with Tata Power, for the sale of power within Maharashtra to MSDECL. AMNEPL was required to pay, and has paid, a penalty of approximately ₹ 1.34 million and ₹ 0.34 million to Tata Power, for the months of March 2011 and April 2011, respectively. If we are required to pay additional liquidated damages under any of these agreements, our financial condition and results of operations may be adversely affected.

14. *We may not develop our planned power projects.*

We are currently planning to develop a 660 MW coal-fired thermal power project through CPL, a Joint Venture in which we have a 48.99% equity interest, in Jharkhand. We are also planning to develop a 1,320 MW coal-fired thermal power project through our Subsidiary, Jas Infrastructure and Power Limited ("JIPL"), in Bihar. Although we currently intend to develop these projects, we may or may not develop

these power projects in a timely manner or at all, which may adversely affect our business prospects and results of operations.

15. *We have a substantial amount of outstanding indebtedness, which requires significant cash flows to service. Certain restrictive covenants in relation to this indebtedness limit our ability to operate freely and our inability to meet our obligations could adversely affect our business and results of operations.*

We have three power projects under development. As of April 30, 2011, our outstanding principal amount of rupee denominated indebtedness was ₹ 33,356.68 million and our principal amount of foreign currency denominated indebtedness was US\$ 19.69 million. We intend to finance approximately 75.0% to 80.0% of the cost of our projects with third-party debt and therefore expect to incur substantial borrowings in the future. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the revenue generated by our business. We cannot assure you that we will generate sufficient revenue to service existing or proposed borrowings or fund other liquidity needs. Increasing our level of indebtedness also has important consequences to us such as:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- limiting our ability to borrow additional funds; and
- increasing our interest expenditure, since all of our debt bears interest at floating rates.

Our financing agreements contain certain restrictive covenants and events of default that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial condition. Such covenants include restrictions on:

- creating a lien beyond a specified limit over our equity interest in the entities that are developing our power projects;
- making certain restricted payments;
- prepaying any indebtedness prior to its maturity date;
- making capital expenditure, unless certain conditions are satisfied;
- pledge over all existing and future assets of the respective entities that are developing our power projects;
- incurrence of additional indebtedness;
- sale or other disposition of assets;
- change or expansion in scope of business; and
- entering into certain transactions such as reorganisations, amalgamations and mergers.

These agreements also require us to maintain certain financial ratios. Our future borrowings with respect to our power projects may contain similar restrictive provisions.

If we fail to meet our debt service obligations, covenants or approvals to undertake certain transactions provided under the financing agreements, the relevant lenders could declare us in default under the terms of our agreements, accelerate the maturity of our obligations or take over the financed project. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay these

borrowings. Our failure to meet our obligations under the debt financing agreements could have an adverse effect on our business and results of operations. For further details, see “Financial Indebtedness” on page 381.

16. *Our inability to obtain fuel in a timely manner and at competitive prices, or at all, could adversely affect our business, results of operations and financial condition.*

We are currently developing three thermal power projects. The success of our operations will depend on, among other things, our ability to source fuel at competitive prices.

We intend to meet our coal requirements through long term coal linkages or captive coal mines allocated to us by the Government. We may not be able to enter into the coal supply agreements pursuant to such linkages or develop the captive mines allocated in a timely manner, at terms acceptable to us or at all. For instance, the Chitarpur coal block allocation letter dated September 2, 2005 requires Corporate Ispat, the allottee of the block, to commence mining within 36 months from the date of the allocation letter, or within 42 months from the date of allocation letter if the mine is located on forest land. However, mining has not yet commenced, on account of non-receipt of certain regulatory approvals. Further, Corporate Ispat has received a show cause notice dated September 30, 2010 from the Ministry of Coal alleging that certain milestones for the development of the Chitarpur coal block had not been achieved. Corporate Ispat has replied to the show cause notice by a letter dated October 26, 2010. We may not receive such approvals in a timely manner or at all, even if we fulfil all pre-conditions. Further, one of the conditions of allocation of the Mahuagarhi coal block to JIPL and CESC Limited (“CESC”) is that prospecting, exploration and preparation of the geological report should be completed within 27 months from the allocation date of January 9, 2008. However, the prospecting, exploration and preparation of the geological report have not yet been completed. Failure to commence mining operations may lead to the imposition of penalties or the cancellation of the coal block allocation, as the Ministry of Coal has, in the past, cancelled allocations of coal blocks in the event of delays.

In addition, we have not yet signed an agreement for the supply of coal from Central Coalfields Limited (“Central Coalfields”) to the Chandwa Power Project. Further, the letter of allocation received from Central Coalfields requires us to adhere to certain terms and conditions. In the event of unsatisfactory progress in the development of the power project or coal mine, the coal allocation may be cancelled, which may adversely affect our business and operations.

With regard to the MIHAN Power Project, we have not yet received a coal allocation letter from Western Coalfields Limited (“Western Coalfields”), which may not be issued in a timely manner or at all. In addition, on October 13, 2010, MADC applied to the Ministry of Coal for a change in status of the MIHAN Power Project from a captive power project to an independent power project. We cannot assure you that this application will be decided in our favour. Currently, for meeting the fuel requirements of the MIHAN Power Project, we are procuring coal on spot basis, which is generally more expensive.

With regard to the Banka Power Project, our Joint Venture, Mahuagarhi Coal Company Private Limited (“MCCPL”), is expected to supply coal to the power project from the Mahuagarhi coal block. However, MCCPL has not yet obtained certain approvals, such as a mining lease and has also not yet prepared the geological report. Any failure by Mahuagarhi Coal to obtain such approvals in a timely manner, or at all, may adversely affect the ability of JIPL to obtain fuel for the Banka Power Project, and in turn, adversely affect our results of operations.

Further, our coal suppliers may default on their obligations to us under the coal supply agreements, which may require us to purchase coal at a significantly higher spot price from the market, which could adversely affect our business and results of operations. In addition, to the extent that we are dependent on coal linkages and fuel supply agreements, we are exposed to the risk that coal suppliers may increase their prices from time to time. We cannot assure you that we would be able to pass on such increased costs to our customers. Further, for our back-up DG sets aggregating 25.6 MW at MIHAN, we intend to meet our diesel requirements through purchase from local vendors. We are also highly dependent on the policies of the GoI relating to allocation of long term coal linkage and captive coal mines. Any changes in these

policies, especially with respect to such allocations to thermal power plants or in any other manner or the imposition of additional conditions in this regard may adversely affect our results of operations and financial condition. We cannot assure you that we will be able to obtain coal supplies and diesel on terms that are commercially acceptable to us or at all. In addition, our current fuel supply arrangements are not sufficient to meet our fuel requirements for the entire life of our power projects. Our failure to obtain sufficient fuel supplies for any of our power projects may adversely affect our business, financial condition and results of operations.

- 17. *The memoranda of understanding that Corporate Ispat, our Promoter, and JIPL, our Subsidiary, have entered into with state governments for the development of the Chandwa Power Project and Banka Power Project, respectively, have expired, and we cannot assure you that such memoranda of understanding will be extended in a timely manner, on terms favourable to us or at all.***

The memorandum of understanding that Corporate Ispat entered into with the Government of Jharkhand for the development of the Chandwa Power Project expired on October 26, 2010. Although we have applied to the Government of Jharkhand for an extension of the memorandum of understanding in a letter dated September 14, 2010, we cannot assure you that this memorandum of understanding will be extended in a timely manner, on terms favourable to us or at all. The memorandum of understanding included various forms of assistance from the Government of Jharkhand to be provided to Corporate Ispat, including recommendation for coal blocks allocated by the Government of India and facilitation of water supply and adequate roads during the development of the Chandwa Power Project. For details, see “Description of Certain Key Contracts” on page 151. If we are unable to secure the assistance of the Government of Jharkhand in the development of the Chandwa Power Project, we may be unable to develop the project on time or at all. In addition, a number of sanction letters issued to CPL require that either the memorandum of understanding with the Government of Jharkhand or a firm power purchase agreement with the Jharkhand State Electricity Board must be in place prior to the disbursement of any funds sanctioned under such sanction letters. As a result, failure to extend this memorandum of understanding could delay or prevent the development of the Chandwa Power Project, which could have an adverse effect on our business, financial condition and results of operations.

In addition, the memorandum of understanding between JIPL and the Bihar State Electricity Board, in respect of the Banka Power Project, expired on March 1, 2011. As consideration for providing the Bihar State Electricity Board with a right of first refusal over a portion of power generated at the Banka Power Project, the Bihar State Electricity Board would provide assistance to JIPL in respect of providing water and power, among other things, during the development of the Banka Power Project. For details, see “Description of Certain Key Contracts” on page 151. Failure to extend this memorandum of understanding could delay or prevent the development of the Banka Power Project, which could have an adverse effect on our business, financial condition and results of operations. We may face difficulties in the development of our power projects if such agreements are not renewed in a timely manner, or at all. In addition, it remains unclear whether JIPL may be required to honour the Bihar State Electricity Board’s right of first refusal.

- 18. *We have entered into agreements with government entities, which entail certain risks.***

We have entered into agreements, including a concession agreement and off-take arrangements, with government and government-controlled entities. For instance, AMNEPL has entered into a concession agreement and shareholders agreement with MADC, a special purpose company formed by the Government of Maharashtra with equity participation by other government entities, for the development and operation of the MIHAN Power Project.

When faced with disputes and counterclaims between transmission companies, electricity boards and generation companies, certain government entities have in the past refused to perform their obligations under relevant payment provisions until such disputes or counterclaims have been fully resolved, which can take a substantial period of time. Any failure by a government or government-controlled entity to fulfil its obligations could have an adverse effect on our business, financial condition and results of operations.

All infrastructure development projects under public private partnership in India, including all of our

projects, have been awarded by government-owned or government-controlled entities and, therefore, may be subject to political or financial pressures that may lead to such agreements being restructured or renegotiated by these entities, which could adversely affect our business and results of operations.

Additionally, our projects are developed through agreements with government and government-controlled entities and such projects are often subject to delay. Such delays could be on account of a change in the central and/or state government, changes in policies affecting the public at large, the scaling back of government policies or initiatives, changes in governmental or external budgetary allocations, or insufficiency of funds, which could adversely affect our business, financial condition and results of operations.

19. *Estimates of our coal reserves at the Mahuagarhi coal block are subject to assumptions, and if the actual amount of such reserves is less than estimated, our business, results of operations and financial condition may be adversely affected.*

Our Joint Venture, MCCPL, is currently developing a coal block in the state of Jharkhand, pursuant to a letter of allocation received from the Ministry of Coal. Under the terms of the letter of allocation, 50.0% of the coal block reserves may be used for the Banka Power Project. The Ministry of Coal estimates that the coal block has reserves of 220 MMT. However, we have not conducted an independent analysis to confirm such coal reserves. The Ministry of Coal's estimate of coal reserves in this block may be subject to probabilistic assumptions based on interpretations of geological data obtained from sampling techniques and projected rates of production in the future. Actual reserves and production levels may differ significantly from estimates. In addition, the initial phase of development before production may take longer than we anticipate. The economic feasibility of exploiting a discovery may change as a result of changes in the market price of coal during the development period. Further, the quality of coal in our coal block may be inferior and/or unsuitable for our purposes. If the quantity or quality of our coal reserves has been overestimated, we would deplete our coal reserves more quickly than anticipated and may have to source coal in the open market for our power generation. Prices for coal in the open market may exceed the cost of extracting coal from our coal block, which could increase the costs of our operations and adversely affect our business, financial condition and results of operations.

20. *We have no experience in mining operations, which are subject to various risks. If our mining operations are delayed or disrupted, our results of operations and financial condition could be adversely affected.*

In order to undertake mine development and operation functions for supply of coal to the Banka Power Project, we have formed Mahuagarhi Coal, a Joint Venture with CESC. We have no experience in developing or operating coal mines and we cannot assure you that MCCPL will be able to successfully develop and operate the block. Coal mining operations require substantial expertise and are subject to various hazards and risks normally associated with the exploration, development and production of natural resources. Our exploration and mining activities depend on the grant, renewal or continuance in force of various exploration and production contracts, licences, permits and other regulatory approvals that are valid only for a definite period of time and may provide for early termination. We cannot assure you that MCCPL will be able to obtain such leasehold rights on acceptable terms or at all. Any delay in the commencement of mining operations by MCCPL may have an adverse effect on the commencement of power generation by the Banka Power Project and the cost of generating such power.

Further, the occurrence of industrial accidents, such as explosions, fires, transportation interruptions and inclement weather as well as any other events with negative environmental consequences, could adversely affect our operations by disrupting our ability to extract coal from the mine we operate or exposing us to significant liability. Any significant delays in our mining operations could adversely affect the operations of the Banka Power Project and as a result, our business and results of operations.

21. *Our inability to enter into or renew off-take arrangements for our power projects on terms acceptable to us or at all could adversely affect our business, results of operations and financial condition.*

We rely on off-take arrangements, primarily in the form of PPAs, to sell the power generated by our power projects. Our power projects under development have a combined installed capacity of 2,671.6 MW. For the MIHAN Power Project, AMNEPL has entered into a PPA for sale of 55 MW of power to Reliance Infrastructure for a term of three years. AMNEPL is currently a party to three PPAs for the sale of power to Tata Power, two of which expire on June 30, 2011 and the other on December 31, 2011. In respect of one of the PPAs with Tata Power that expires on June 30, 2011, for the sale of power outside of Maharashtra, AMNEPL is no longer supplying power under this agreement. AMNEPL is also supplying power to Reliance Energy Trading Limited under an LOI from May 15, 2011 to June 30, 2011. In addition, MADC has guaranteed a minimum off-take of 25 MW of power from the MIHAN Power Project. For the Chandwa Power Project, our Joint Venture, CPL has entered into a PPA for sale of 540 MW power (net of auxiliary energy consumption and transmission losses incurred until the delivery point) to Lanco on “take or pay basis” for a term of 25 years from the effective date of April 14, 2010. Further, the Government of Jharkhand has a first right of claim on up to 25.0% of the power delivered to the system by the Chandwa Power Project. In terms of the agreement between the Government of Jharkhand and Corporate Ispat for the Chandwa Power Project, CPL may be required to sell 12% of power generated at a variable cost to the Government of Jharkhand.

For our remaining proposed installed capacity, we will need to enter into other off-take arrangements or sell power on merchant basis. We aim to maintain a combination of long and medium term PPAs and merchant power in our off-take arrangements to take advantage of committed revenues and price fluctuations, as the case may be. However, we may not be able to maintain a judicious mix of off-take arrangements and may instead be required to enter into a disproportionately high number of long term PPAs, which would limit our ability to take advantage of anticipated price increases. Further, to the extent that we propose to sell power on merchant basis, we may be subject to the risk of fluctuations in the price of merchant power. In addition, typically, Case I PPAs and PPAs with trading entities are signed on a net power generation basis, where a portion of the gross power generated known as auxiliary consumption is utilised for operating the power project itself, in respect of which we cannot generate revenues.

The terms of AMNEPL’s concession agreement with MADC allow AMNEPL to sell excess power to any third party for consumption in the state of Maharashtra. However, AMNEPL is required to give 10 days’ notice to MADC before any proposed sale of power outside the MIHAN Area may take place and MADC may refuse permission for such sale of power within seven days of receipt of such notice. MADC has recently allowed AMNEPL, through MADC’s letter dated May 24, 2011, to sell excess power outside of the MIHAN Area but within Maharashtra under the terms and conditions of the Concession Agreement and any applicable rules and regulations. However, this permission would be automatically revoked if AMNEPL is unable to complete the construction of the transmission line from MIHAN Power Plant to MIHAN SEZ by September 30 2011.

Further, the terms of our PPAs may include provisions that limit our ability to make these agreements effective. We had entered into a PPA with Reliance Energy Trading Limited in April 2009 for off-take of power from the MIHAN Power Project. The terms of this PPA required that it be approved by the member of the AMNEPL board representing MADC. As this member did not approve the PPA, it is not effective. Further, we had intimated MADC in relation to our PPA with Tata Power for the sale of power outside of Maharashtra and had sought an approval in relation to the same. In response, MADC has not approved the sale of power outside Maharashtra and as a result we have stop supplying power under the relevant PPA to Tata Power. As a result, we may encounter difficulties in signing new PPAs with power traders. Consequently, we cannot assure you that we will be able to continue to enter into suitable off-take arrangements to sell electricity generated by us. Our failure to enter into or renew our off-take arrangements in a timely manner and on acceptable terms, or at all, could adversely affect our business, results of operations and financial condition.

22. ***The structure of our off-take arrangements may expose us to market risks which could adversely affect our business, results of operations and financial condition.***

We have secured long and medium term off-take arrangements for some of our power projects, with terms ranging from three to 33 years from the commissioning of the project, and intend to continue to enter into long and medium term off-take arrangements for our other power projects in the future. Under our off-take arrangements, we typically sell the power we generate from the relevant power project at pre-determined tariffs, subject to annual escalation or escalation based on specified factors. If our costs or industry-wide tariffs increase, we will not be able to re-negotiate the terms of the off-take arrangements to reflect the changed environment, thereby affecting our profitability. We may also be exposed to increased competition, particularly competition arising from changes in technology that may allow other power generation companies to offer power at lower tariffs. The structure of our existing and planned off-take arrangements could thus expose us to the risks of decreasing tariffs and increasing costs or limit our profitability and competitiveness if tariffs increase, any of which could adversely affect our business, results of operations and financial condition.

23. ***If the power requirements of consumers in the MIHAN SEZ Area and/or the MIHAN Area are such that we are unable to provide third parties to whom we contract to supply power produced from the MIHAN Power Project, we may be required to buy power on spot basis to sell to such third parties or pay penalties, which may adversely affect our results of operations.***

Under the terms of our concession agreement with MADC for the development and operation of the MIHAN Power Project, consumers in the MIHAN SEZ Area have first priority in receiving power produced from the power project and other consumers in the MIHAN Area have second priority. We have also entered into PPAs to supply power produced from the MIHAN Power Project. If the power requirements of consumers in the MIHAN SEZ Area or the MIHAN Area are such that we are unable to provide power to such third parties from the power produced from the MIHAN Power Project, we may be required to buy power on spot basis to sell to such third parties or pay penalties to such third parties. In addition, any power purchased on spot basis may be purchased at high prices, which may adversely affect our results of operations.

24. ***The terms of our off-take arrangements may not match the terms of our financing arrangements, which could adversely affect our ability to service our debt or may require us to refinance our debt, which could adversely affect our business, results of operations and financial condition.***

We have entered into certain financing arrangements to support the development and operation of our power projects. Before entering into a financing arrangement, each lender typically requires the entity to have secured an off-take arrangement, typically through a PPA, for the related power project. The term of these off-take arrangements, however, may not match the terms of the related financing arrangements, exposing us to risks related to servicing our debt. For example, if interest rates have increased during the term of the PPA, at the time of servicing our debt we may face increased debt servicing costs without being able to negotiate higher tariffs under the relevant PPA. Likewise, a PPA may expire or terminate during the term of a loan because of which we may be unable to meet our debt service obligations or arrange for borrowings to service the debt under these obligations on similar or commercially acceptable terms, in a timely manner or at all. The mismatch between the terms of our PPAs and debt servicing arrangements could adversely affect our business, results of operations and financial condition. If we fail to meet our debt service obligations or financial covenants required under the financing documents, the relevant lenders could declare us in default under the terms of our borrowings, accelerate the maturity of our obligations or take over the financed power project. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay these borrowings. Failure to meet our obligations under the debt financing arrangements could have an adverse effect on our cash flows, business and results of operations.

25. ***Power projects entail bidding, selection, implementation and regulatory risks.***

We may develop some of our power projects pursuant to bidding processes sponsored by power off-take customers. There could be delays in the bid selection process. In addition, our bids may not be selected or,

if selected, may not be finalised within the expected time frame or on expected terms or at all owing to a variety of reasons beyond our control, including an exercise of discretion by the government or off-take customers and the ability of competitors with greater resources to make more competitive bids.

In selecting power producers for major projects, off-take customers limit the tender to contractors they have pre-qualified based on criteria such as experience, technological capacity and performance, safety record and financial strength, although the price competitiveness of the bid is the most important selection criterion. Pre-qualification is key to our winning these projects. To bid for larger projects, we may need to enter into memoranda of understanding and Joint Venture agreements with partner companies to meet capital adequacy, technical and other requirements that may be required to qualify for a bid, but there is no assurance that we will be successful in doing so.

Power projects also involve substantial implementation and regulatory risks. We have also not yet successfully transferred all approvals from MADC to AMNEPL. Delays in applying for the amendment of licences or in notification may result in the imposition of fines or penalties as well as institution of legal proceedings.

26. *Any change in the tariffs of our off-take arrangements may adversely affect our results of operations.*

All power tariffs established through competitive bidding are subject to approval from regulatory authorities. For instance, the tariff agreed to in our concession agreement with MADC for development and operation of the MIHAN Power Project is required to be approved by the Maharashtra Electricity Regulatory Commission, which may be lower than the agreed tariff. To the extent such tariffs are determined by regulators, the price at which we sell power may have little or no relationship to our cost of supplying this power under a long term PPA or concession agreement. Unless the regulator agrees to increase our tariffs, we may be limited in our ability to pass on to a customer the increased production costs required for the operation of our power projects, which may adversely affect our results of operations.

27. *We require a number of approvals, licenses, registrations and permits for our business, and the failure to obtain or renew them in a timely manner may adversely affect our operations.*

We require a number of approvals, licenses, registrations and permits for our business. Approvals required to develop a power project include, among others, environmental approvals from the MoEF and concerned State Government department or body, consent to establish a project and authorisation for drawal of water from the relevant department or body of a State government, chimney height approval from the Airports Authority of India, forest land development approval (in the case that any part of a project is proposed to be developed on forest land) and approvals relating to the development of a coal mine in the case that we have been allocated a coal mine in relation to a power project. While we have obtained a number of required approvals for our power projects, certain approvals that we have applied for are currently pending. Additionally, we would need to apply for additional approvals, including renewal of approvals which may expire, from time to time, as and when required in the ordinary course of our business.

For further details of approvals that we have applied for and are currently awaited, see “Government and Other Approvals” on page 442. If we fail to obtain any applicable approvals, licenses, registrations and permits in a timely manner or renew certain agreements in a timely manner, we may not be able to develop or operate our power projects on time, or at all, and we may also be subject to payment of penalties or criminal prosecution, which could affect our business and results of operations. In addition, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to incur substantial expenditure. If we fail to comply or a regulator or the relevant counterparty claims that we have not complied with such or any other conditions to our approvals, licenses and agreements, we may be forced to make substantial expenditures to retain or replace, and we may even lose, such approval, license or the ability to operate the relevant project, the occurrence of any of which could adversely affect our business, financial condition and results of operations. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may adversely affect our operations.

28. *We rely on our Promoters and Group Companies in certain key aspects of our business as well as for ancillary support services, the disruption of which could adversely affect our business, financial condition and results of operations.*

We rely on our Group Companies, most significantly Abhijeet Projects Limited (“APRL”), for certain key aspects of our business, including for EPC and fuel supply. For example, we have entered into the following contracts with our Group Companies:

- EPC contract for development of the MIHAN Power Project with APRL for an amount of ₹ 10,440.00 million;
- EPC contract for development of the Chandwa Power Project with APRL for an amount of ₹ 42,360.00 million;
- EPC contracts for the development of the Banka Power Project and the additional 1,320 MW power project at Banka, Bihar with APRL for an amount of ₹ 72,268.00 million and US\$ 911.35 million;
- EPC contracts for the development of the 660 MW Power Project with APRL for an amount of ₹ 17,430.00 million and US\$ 253.04 million; and
- Contract for supply of coal for the Chandwa Power Project with Corporate Ispat Alloys Limited (“Corporate Ispat”), our Promoter.

Historically, we have also relied heavily on our Promoters to fund our capital expenditure and working capital requirements. If our Promoters decide to discontinue such support, we may be required to look for alternate sources for funding. Our inability to identify and obtain alternate funding on comparable terms or at all could adversely affect our business, financial condition and results of operations.

In addition, our development plans for some of our projects depend on the success of our Group Companies. If our Group Companies are not successful in maintaining and expanding their own businesses, negotiating terms for fuel resources or obtaining requisite government approvals, it could cause us to delay, cancel or downsize certain projects under development and otherwise may adversely affect on our business, financial condition and results of operations. Furthermore, as our Group Companies will be providing services to us, payments to them are likely to precede the time at which we begin to generate revenues and shareholder returns. Net Proceeds from this Issue or from related debt financing may be distributed to them pursuant to these arrangements. For instance, objects of the Issue include funding the equity contributions in our Joint Venture, CPL and our subsidiary, JIPL, to part-finance the construction and development cost of the Chandwa Power Project and the Banka Power Project, respectively. To that extent, part of the Net Proceeds may be utilised towards payment to APRL, our Group Company.

While we believe that all our related party transactions have been conducted on an arm’s length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. For further details, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Transactions with Related Parties”.

29. *We do not have controlling interests in our Joint Ventures, CPL and MCCPL. We may encounter problems relating to the operation of these Joint Ventures if the interests of our Joint Venture partners do not align with our interests.*

We do not have controlling interests in our Joint Ventures, CPL and Mahuagarhi Coal. We hold a 48.99%

equity interest in CPL, with the remaining 51.01% held by Corporate Ispat. We hold a 50.0% interest in Mahuagarhi Coal, with the remaining 50.0% held by CESC.

The shareholders agreement, as amended for CPL provides that decisions at board meetings are required to be approved by a majority of the board and decisions at shareholders meetings are required to be taken with an affirmative vote of shareholders present representing more than 50.0% of the shares held by all shareholders present. For details regarding the shareholders agreement, see “Description of Certain Key Contracts” on page 151. The interests of Corporate Ispat may not always be aligned with ours. In addition, Corporate Ispat may:

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

If our Joint Venture partners fail to perform their obligations satisfactorily, CPL and MCCPL may be unable to perform adequately or deliver their contracted services. In such case, we may be required to make additional investments and/or provide additional services to ensure the adequate performance and delivery of the contracted services, as we are subject to joint and several liability as a member of the Joint Ventures. These additional obligations could result in reduced profits or, in some cases, significant losses for us. The inability of our Joint Venture partners to continue with a project due to financial or legal difficulties may require us to bear increased and possibly sole responsibility for the development and operation of the Chandwa Power Project or Mahuagarhi coal block and bear a correspondingly greater share of the related financial risk. Further, a change of shareholder ownership interests in CPL might also trigger an event of default under CPL’s financing arrangements with lenders, some of which contain restrictions on changes to the capital structure of CPL and restrictions on the divestment of shares in CPL.

In the event of any disagreements between us and our Joint Venture partners regarding the business and operations of our Joint Ventures, we cannot assure you that we will be able to resolve such disagreements in a manner that will be in our best interests, which could have an adverse effect on our business, financial condition and results of operations.

30. *Non-payment by our customers may adversely affect our business, financial condition and results of operations.*

We expect to derive a significant part of our revenues from the sale of power. We may enter into arrangements with other public and private buyers with weak credit histories. For instance, we have entered into a memorandum of understanding with the Government of Jharkhand for development and operation of the Chandwa Power Project, which includes a right of first claim granted to the Government of Jharkhand on up to 25.0% of the power delivered to the system by the Chandwa Power Project. We may face difficulties in enforcing payment provisions as compared to off-take arrangements that we may have entered into with private entities. The weak credit histories of certain of our customers as well as any change in the financial position of our customers that adversely affects their ability to pay us could adversely affect our results of operation and financial condition.

31. ***We depend on a number of contractors and specialist agencies to construct and develop our projects, some of whom also supply sophisticated and complex machinery to us. A disruption in the delivery or quality of services and equipment supplied to us by such parties could adversely affect our business, results of operations and financial condition.***

We depend on the availability and skills of third party contractors for the development and construction of our power projects and supply of certain key equipment. We do not have direct control over the timing or quality of services, equipment or supplies provided by these contractors. In addition, with recent increased infrastructure activity in India, demand for contractors with specialist design, engineering and project management experience has increased significantly, creating a shortage of and increasing the costs charged by such contractors.

We also face a number of counterparty risks in engaging such contractors, including that:

- contractors hired by us may not be able to complete construction and installation on time, within budget for contracts on variable costs basis, or to the specifications and standards that have been set in the contracts with them;
- we may experience delays in the delivery of equipment;
- we may not be able to pass on certain risks to our contractors such as unforeseen site and geological conditions;
- pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, we may be required to retain such contract labourers as our employees.

In addition, delays in meeting project milestones or achieving commercial operation by the scheduled commercial operation dates could increase the financing costs associated with the construction or result in delayed payment to us by customers, invoke liquidated damages or penalty clauses, or result in termination of contracts. We also require the continued support of certain original equipment manufacturers to supply necessary services and parts to operate and maintain our projects at reasonable cost. Moreover, while agreements with contractors and suppliers in our business typically include liquidated damage payments for inadequate, untimely or non-performance of obligations, such liquidated damages are typically capped at a percentage of contract price and we may be unable to recover such damages in full, or at all. Further, in case of termination of such contracts, alternate equipment may not be available at short notice or at reasonable prices. Our inability to secure the required services or equipment in a cost efficient and timely manner or at all may adversely affect our business, results of operation and financial condition.

32. ***Our inability to secure a reliable and stable water supply for our power projects could adversely affect our business and results of operations.***

Our power projects require a substantial amount of water, which is critical to their operation. In the event of water shortages, our power projects may be required to reduce their water consumption, which could reduce their power generation capability. We have received the required approvals to source water for all of our projects, however we have not yet entered into definitive agreements for any of our projects, and we cannot assure you that such agreements will be entered into in a timely manner or at all. Any water shortage in the future could adversely affect our business, financial condition and results of operations.

33. ***Our inability to acquire or lease sufficient land for our projects could adversely affect our business, results of operations and financial condition.***

We require government, forest and private land for our projects and are currently in the process of acquiring or leasing land for all of our power projects. For our power projects, we must acquire land for the main project area before beginning construction work. For certain of our power projects, we must also acquire land for greenbelt, ash disposal, housing colonies for workers, conveyor belts for fuel and housing for resettled and rehabilitated persons. Further, we have not yet acquired any land for the development of

the Mahuagarhi coal block.

For the MIHAN Power Project, MADC is required to provide us with all land required for the project site, apart from the ash dyke area of 161 acres, which we are in the process of acquiring. MADC has not yet completed the process of leasing the land required for the MIHAN Power Project, including land upon which we have already commenced construction of the power project, which has resulted in, along with other factors, a delay in the commissioning of the MIHAN Power Project. We are also currently in the process of acquiring land for the Chandwa Power Project and the Banka Power Project. Delay in acquiring or leasing any land may have an adverse effect on our business and results of operations.

We cannot assure you that we will continue to acquire or lease such land in a timely manner, on commercially acceptable terms or at all. Our inability to acquire or lease sufficient land in a timely manner and on commercially acceptable terms could adversely affect our business, results of operations and financial condition.

34. *Our inability to construct or secure power evacuation facilities by the time our power projects are ready to commence operations could adversely affect our business, results of operations and financial condition.*

We intend to evacuate the electricity from our power projects to the nearest substation through transmission lines, switchyards and substations. Construction of the transmission lines and switchyards is one of ours, a procurer's or the state government's responsibility, depending on the arrangements of a particular project. For the MIHAN Power Project, MADC is responsible for granting all necessary access, easements and rights of way to construct, install and connect the power project to transmission lines for evacuation of power. We are currently in the process of constructing such transmission lines. For the Chandwa Power Project, the construction of transmission lines by the Power Grid Corporation of India Limited is currently in progress. For the Banka Power Project, the construction of transmission lines has not yet been completed. If construction of such transmission lines is not complete by the time our power projects are ready to commence operation or we incur significant transmission costs, our financial position and results of operations could be adversely affected.

35. *Our success depends on stable and reliable transportation infrastructure, the disruption of which could adversely affect our operations.*

We depend on various forms of transport, such as roadways, railways and pipelines to receive fuel, raw materials and water during construction of our power projects and during their operation. The building of transportation infrastructure entails obtaining approvals, rights of way and development by the Government of India or the state governments and their nominated agencies and us. As a result, we will not have total control over the construction, operation and maintenance of the transportation infrastructure. There can be no assurance that such transportation infrastructure will be constructed in a timely manner, operated on a cost effective basis and maintained at adequate levels, which may affect the estimated commissioning dates for our power projects. Undertaking such development will require significant capital expenditure and active engagement with the Government and its agencies responsible for organizing transport infrastructure and related technologies. Further, disruptions of transportation services because of weather-related problems, strikes, lock-outs, inadequacies in the road or rail infrastructure, or other events could impair the ability of our suppliers to deliver fuel and raw materials. We can provide no assurance that such disruptions due to the occurrence of any of the factors cited above will not occur in the future.

36. *The construction and operation of our power projects or mines may face opposition from local communities and other parties, which could adversely affect our business.*

The construction and operation of power projects and mines has, in the past, faced and may continue to face opposition from the local communities where these projects are located and from special interest groups. In particular, the public may oppose mining operations due to the perceived negative impact it may have on the environment. Such opposition may negatively affect our ability to develop and operate our power projects and develop and operate the Mahuagarhi coal block for the supply of fuel to the Banka

Power Project. We cannot assure you that we will not encounter opposition related to our power projects or mining operation.

We develop our resettlement and rehabilitation programs on a project-by-project basis and include them in our budget for each project. The state government of the state in which the project is located, however, is ultimately responsible for disbursing compensation funded by us to those individuals that are displaced due to our projects. Non-disbursement of the compensation funded by us could further intensify opposition from local communities.

Significant opposition by local communities, NGOs and other parties to the construction of our power projects or mining operations may adversely affect our results of operations and financial condition. Under our memorandum of understanding with the Government of Jharkhand, we must bear the costs of resettlement and rehabilitation for project affected families according to the rehabilitation policies of Jharkhand. We cannot predict the cost of compliance with such policies nor can we assure you that compliance with such policies will reduce or eliminate opposition from local communities and special interest groups. If we face such opposition to the development of our power projects, our financial condition and results of operation may be adversely affected.

37. ***Most of our power generation and mining operations are located in geographically remote areas, which are at risk of attacks by rebel groups. Such attacks may have an adverse effect on our business, results of operations and financial conditions.***

Most of our power generations and mining facilities are located in the states of Bihar and Jharkhand which are exposed to risks of attack by rebel groups, including, among others, Naxalites. Such attacks may be directed at our property or personnel, at property belonging to our customers or at the state owned infrastructure used by us for transportation. We have faced such attacks in the past, including a suspected extremist attack in April 2009, in which four of our sub-contractors' employees working at the Chandwa Power Plant were killed, and an alleged naxal attack in March 2011, in which two of our sub-contractor's employees working at the Chandwa Power Project were killed. Such attacks, or the threat of such attacks, whether or not successful, may disrupt our operations, result in increased costs for security and insurance and may adversely impact our business, results of operations and financial condition, as well as place our assets and personnel at risk. We cannot assure you that our security measures will be effective to prevent such attacks or limit the consequences thereof.

38. ***The draft Mines and Minerals (Development and Regulation) Act ("Draft Mining Act") proposes to amend the Mines and Minerals Development and Regulation Act, 1957. If approved in its current form, the Draft Mining Act may adversely affect Mahuagarhi Coal, our Joint Venture, which could have an adverse effect on our business and financial condition.***

The Draft Mining Act seeks to rationalise royalties, taxes, cesses and offer of mining blocks on an auction basis, pursuant to promotional regional exploration by the concerned State Governments. The Draft Mining Act, among other changes, replaces the mining lease renewal procedure currently applicable under the MMDRA, provides for expedited disposal of mining applications and a new dispute resolution mechanism. The Draft Mining Act provides that application for the extension of mining leases should be made at least 24 months prior to the expiry of the lease. The Draft Mining Act further mandates that with respect to the land in which minerals vest, the holder of a mining lease or prospecting license should be liable to pay reasonable annual compensation to the person holding occupation, usufruct or traditional rights of the surface of the land over which the license and lease has been granted, as mutually agreed (failing which, the State Government will determine the compensation payable). Under Section 42 of the Draft Mining Act, the holder of a mining lease, in respect of any person or persons holding occupation, usufruct or traditional rights of the surface of the land over which the lease has been granted, is liable to allot free shares equal to 26.0% through the promoter's quota in case the holder of the lease is a company, or, an annuity equal to 26.0% of the profit (after deduction of tax paid) in case the holder of the lease is a person, on account of annual compensation and provide employment and/or other assistance in accordance with the rehabilitation and resettlement policy of the concerned State Government. In respect of mining operations which are unprofitable, the Draft Mining Act provides for payment of such amount in lieu of annuity for

the first five years from the commencement of the mining activity. The proposal includes the formation of a National Mineral Royalty Commission consisting of representatives of the Central Government, the State Governments and the mining industry, which will review the existing royalty payable.

The Government of India proposes to introduce the Draft Mining Act in the Indian Parliament. After such introduction, the Draft Mining Act may go to a standing committee for further deliberation. The Draft Mining Act is subject to changes based on such debates and discussions and, if approved, will be the law which will apply to the mining sector in India, which could have an adverse effect on the business and financial condition of Mahuagarhi Coal, our Joint Venture.

39. *Certain period to period comparisons of our financial performance are unavailable, which may make it difficult for you to evaluate and compare our performance.*

Our financial data consists of our restated unconsolidated financial statements as of and for the years ended March 31, 2010, 2009, 2008 and 2007 and our restated consolidated financial statements as of and for the nine months ended December 31, 2010 and the year ended March 31, 2010. As our financial statements for certain periods are unconsolidated and our financial statements for certain other periods are consolidated, certain period to period comparisons are unavailable. The absence of period to period comparisons may make it difficult for you to compare our performance for certain periods and may also make it difficult for you to evaluate our performance altogether.

40. *The geographic concentration of our power projects could adversely affect our business and results of operations.*

Once all of our power projects currently under development are commissioned, we will have 271.6 MW in central India, and 2,400 MW in eastern India. These regions in India have in the past been affected by actions of disaffected social elements, political instability and natural calamities. Any significant social, political or geological disruption in these areas, or changes to the various state or local governments in such areas, even on a short term basis, could hinder our ability to develop these projects in a timely and cost-efficient manner or to meet our obligations under our PPAs, which, in turn, could adversely affect our business and results of operations.

41. *If we do not operate our facilities efficiently, we may incur increased costs, which could decrease our revenues and trigger penalties under certain of our PPAs, any of which could adversely affect our results of operations.*

Our profitability is a function primarily of how effectively we manage our costs during the development of our power projects and our ability to operate our projects at optimal levels. If we are unable to manage our costs effectively or operate our projects at optimal levels, our business prospects, financial condition and results of operations may be adversely affected.

PPAs generally require that the power supplier guarantee certain minimum performance standards, such as project availability and generation capacity. The tariffs we charge are also typically arrived at assuming certain technical norms. If our facilities do not meet the required performance standards, our customers will not reimburse us for any increased costs arising as a result of our projects' failure to operate within the agreed norms, which in turn may affect the results of our operations and financial condition.

In addition to the performance requirements specified in our PPAs and other agreements, national and state regulatory bodies and other statutory and government mandated authorities may from time to time impose minimum performance standards upon us. Failure to meet these requirements could expose us to the risk of penalties or deprive us of agreed-upon incentives, both of which could adversely affect our results of operations.

42. *The MIHAN Power Project is being developed and operated on a build, own, operate and transfer (“BOOT”) basis.*

The MIHAN Power Project is being developed and operated on a BOOT basis. When a project is developed and operated on a BOOT basis, the developer designs and completes the project, owns and operates it for a specified period of time and then must transfer the project to another party, typically a government entity or joint venture partner. On January 7, 2042, AMNEPL is required to transfer the power project to MADC, unless the term has been extended by mutual agreement. Even if the MIHAN Power Project is operating at a profitable level, AMNEPL must still transfer the project to MADC, unless the term of the concession agreement is extended. Upon transfer of the project, we will no longer be able to generate revenue from the MIHAN Power Project, which may adversely affect our financial condition and results of operations.

43. *Strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees could adversely affect our business and results of operations.*

As of May 31, 2011, we employed 451 full-time employees and expect this number to substantially increase in the future. There can be no assurance that we will not experience disruptions in our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

Although we do not engage contract labourers directly, it is possible under Indian law that we may be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments may adversely affect our 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. Any such order from a court or any other regulatory authority may adversely affect our business and results of our operations.

44. *We do not own the “Abhijeet” trademark, and our ability to use this trademark and its associated marks and logos may be impaired.*

We use the “Abhijeet” trademark and its associated marks and logos. Abhijeet Vision Limited, our Group Company, has granted us, AMNEPL, CPL and JIPL the license to use the “Abhijeet” trademark and certain associated marks and logos in India pursuant to Trademark Licence Agreements dated November 26, 2010. As a licence holder, we, AMNEPL, CPL and JIPL do not enjoy the statutory protections accorded to a holder of a registered trademark, which subjects us to certain contractual risks. For further details, see “Description of Certain Key Contracts” on page 151.

45. *Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.*

Our business is subject to extensive government regulation, which can change on short notice. We must obtain various licenses, permits and approvals to develop our power projects and conduct business. Once we obtain the required licenses, permits and approvals, our operations are subject to continued review. We cannot assure you that we will be able to obtain and comply with all necessary licenses, permits and approvals required for our projects, or that adverse changes in the governing regulations or the methods of implementation will not occur. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

46. *Our costs of complying or failure to comply with existing and future environmental laws could adversely affect our business and results of operations.*

Our projects are subject to national and state environmental laws and regulations, which govern the discharge, emission, storage, handling and disposal of a variety of hazardous substances that may be used in or result from our operations. Environmental regulation of industrial activities in India may become more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In the case of any change in environmental, or pollution regulations, we may be required to incur significant amounts on, among other things, environmental monitoring, pollution control equipment and emissions management. We may also be required to bear additional expenditure to establish additional infrastructure, such as facilities for monitoring pollution impact and effluent discharge. Such additional costs may adversely affect our results of operations. In addition, failure to comply with environmental laws may result in the assessment of penalties and fines against us by regulatory authorities, including the cancellation of environmental approvals.

We propose to utilise coal from domestic sources for all of our power projects. The quality of Indian coal is typically lower than coal from certain other countries, primarily due to its higher ash content and lower GCV. If, as a result of a change in governmental or environmental regulations, we are required to upgrade our power generation facilities for use of coal with lower ash content and higher GCV, we may require higher quality coal for our operations, which we would have to import. If we are required to purchase imported coal at higher prices, our financial condition and results of operations may be adversely affected.

We expect to generate a considerable amount of ash in our operations. There are limited uses of ash and therefore the demand for ash is currently low. While we continue to explore methods to utilise or dispose of ash, our ash utilisation activities may be insufficient to dispose of the ash we expect to generate. We are subject to a Government of India requirement that we must gainfully utilise 100.0% of the fly ash produced through our generation activities from the dates of commissioning of our projects. Compliance with this requirement, as well as any future conventions for ash utilisation, may increase our capital expenditures and operating expenses.

Further, certain industrial projects under planning or development in India have recently faced substantial regulatory issues in the form of delays in grant of requisite licenses and approvals, and licenses and approvals already granted being revoked, primarily on account of environmental concerns and the rights of forest dwellers under applicable Indian laws, including the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006. We cannot assure you that any license or approval, once granted, whether for our power projects or coal blocks, would not later be suspended or revoked.

47. *Activities in the power generation business can be dangerous and can cause injury to people or property in certain circumstances, which could disrupt our business or result in legal or regulatory actions, any of which could adversely affect our business, financial condition and results of operations.*

We work with highly flammable materials in the course of our business. Despite compliance with requisite safety requirements and standards, our operations are subject to hazards associated with handling of such dangerous materials. For instance, an explosion occurred in one of the boilers of the MIHAN Power Project on April 1, 2011 during testing. If improperly handled or subjected to unsuitable conditions, the materials we work with could hurt our employees or other persons, cause damage to our properties and properties of others and harm the environment. Due to the nature of these materials, we may be liable for certain costs related to hazardous materials, including cost for health related claims, or removal or treatment of such substances, including claims and litigation from our current or former employees, contractors or sub-contractors for injuries arising from occupational exposure to materials or other hazards at our power projects. We also face other significant hazards inherent to our business, which include explosions, fires, mechanical failures and other operational problems, inclement weather and other natural disasters, discharges or releases of hazardous substances, chemicals and gases and other environmental risks. We have had three work-related fatalities in the fiscal year 2010 and two work-related fatalities in the fiscal year 2011 at the MIHAN Power Project. The deceased were employees of our sub-contractors. Further accidents or fatalities could lead to significant disruption in our business and legal or regulatory actions,

which could adversely affect our business, financial condition and results of operations.

48. *Our power projects may not be fully covered by insurance policies exposing us to substantial costs that could adversely affect our business, results of operations and financial condition.*

Power projects carry many risks, all of which may not be insurable or possible to insure on commercially reasonable terms. Our current power project and expansion plans are subject to risks generally associated with capacity addition, power generation, coal mining and the related receipt, distribution, storage and transportation of fuel, equipment, materials, products and wastes. These hazards include explosions, fires, earthquakes and other natural disasters, mechanical failures, accidents, acts of terrorism, operational problems, delay in development by third-parties of, or congestion in, transmission lines, transportation interruptions, chemical or oil spills, discharges of toxic or hazardous substances or gases, and other environmental risks. These hazards can cause personal injury and loss of life, environmental damage and severe damage to or destruction of property and equipment, and may result in the limitation or interruption of our business operations and the imposition of civil or criminal liabilities. We are also subject to risks such as operational failure due to faulty equipment and business interruption due to strikes and work stoppages. We cannot assure you that the projects in which we are involved will not be affected by any incidents and hazards, or that the terms of the our insurance policies will adequately, if at all, cover all damage or losses caused by any such incidents and hazards as such policies contain exclusions and limitations on coverage. For instance, an explosion occurred at one of the boilers of the MIHAN Power Project on April 1, 2011. While we have begun the process of submitting an insurance claim regarding the incident, we cannot assure you that such claim will be successful in covering any of the damage or losses we suffered as a result of this incident.

While we maintain insurance on our project under implementation with a range of coverage that we believe to be consistent with industry practice, we are not fully insured against all potential hazards, such as events incidental to our business, and cannot assure you that our insurance coverage will be adequate and available to cover any loss incurred in relation to such incidents. We are not covered for certain risks such as war, machinery loss of profits or earnings, damaged or destroyed data or records, or damage or loss due to pollution or contamination for some of our projects. We also do not own key man insurance and the loss of key members of our senior management or other key team members, particularly to competitors, could have an adverse effect on our business and results of operations. The occurrence of any such events may adversely affect our business, financial condition and results of operations.

To the extent that we suffer damage or losses that exceed the limits applicable under our insurance coverage or for which we are not insured, we will bear the loss. The proceeds of any insurance claim may also be insufficient to cover the rebuilding costs as a result of inflation, changes in regulations regarding infrastructure projects, environmental and other factors. We cannot assure you that losses in excess of insurance proceeds will not occur in the future.

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

In addition, we do not have insurance policies for business interruption, other than for any loss caused by fire and equipment failure. Insurance policies may not be available to us at economically acceptable premiums, or at all, in the future at the time we may seek to purchase or renew such insurance. Should an uninsured loss or a loss in excess of insured limits occur, we would lose our investment in the relevant project.

49. *There are outstanding legal proceedings against us, our Subsidiaries, our Joint Ventures, our Directors, our Promoters and our Group Companies.*

We are defendants in legal proceedings incidental to our business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable, excluding contingent liabilities and include amounts claimed jointly and severally from us and other parties.

There are certain proceedings, including criminal proceedings, pending in various courts and authorities at different levels of adjudication against our Subsidiaries, our Joint Ventures, our Directors, our Promoters and our Group Companies:

Litigation against our Subsidiaries and Joint Ventures

Sr. No	Nature of Case/Claims	No. of Cases Outstanding	Amount Involved (₹ in million)
1.	Civil proceedings	7	21.92
2.	Tax proceedings	1	-
3.	Labour Case	1	-
4.	Show cause notice	1	-

Litigations against our Directors

Sr. No	Nature of Case/Claims	No. of Cases Outstanding	Amount Involved (₹ in million)
1.	Civil proceedings	3	-
2.	Compounding proceedings	7	-

Litigations against our Promoters

Sr. No	Nature of Case/Claims	No. of Cases Outstanding	Amount Involved (₹ in million)
1.	Civil proceedings	3	1.98
2.	Tax proceedings	16	175.09
3.	Compounding proceedings	5	-
4.	Show cause notice	1	-

Litigations against Group Companies

Sr. No	Nature of Case/Claims	No. of Cases Outstanding	Amount Involved (₹ in million)
1.	Civil proceedings	7	103.71
3.	Labour proceedings	8	-
4.	Tax proceedings	4	38.73
5.	Compounding proceedings	1	-
6.	SEBI show cause notice	1	-
7.	SEBI proceedings	1	-

For further details on material litigations against us, see “Outstanding Litigation and Material Developments” on page 426. Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts, tribunals or any other authority, we may need to make provisions in our financial statements that could increase expenses and current liabilities. Any adverse decision may have an adverse effect on our business, results of operations and financial condition.

50. *Our success will depend on our ability to attract and retain key personnel.*

We depend on our senior executives and other key management members to implement our projects and our business strategy. If any of these individuals resigns or discontinues his or her service and is not adequately replaced, our business operations and our ability to successfully implement our projects and business strategies could be adversely affected. We do not own key man insurance and the loss of key members of our senior management or other key team members, particularly to competitors, could have an adverse effect on our business and results of operations.

We intend to continue to develop our management and employee base in the future, but this will depend on our ability to attract and retain key personnel. Competition for management and industry experts in the industry is intense. Our future performance depends on our ability to identify, hire and retain key engineering, technical, support and other qualified personnel. Failure to attract and retain such personnel could adversely affect our business, financial condition and results of operations.

51. *Our ability to pay dividends in the future will depend upon a variety of factors such as future earnings, financial condition, cash flows, working capital requirements, capital expenditures of our Subsidiaries and Joint Ventures and restrictive covenants in our financing arrangements.*

Our ability to pay dividends in the future will depend on our capital requirements, financing arrangements and financial condition. We develop and operate our power generation projects through Subsidiaries and Joint Ventures. We will depend on dividend distributions from our Subsidiaries and Joint Ventures to make dividend distributions to our shareholders. The ability of our Subsidiaries and Joint Ventures to make dividend distributions is constrained by corporate laws, regulations, our dividend policy and restrictive terms of loan agreements entered into for the purpose of financing the development cost of projects being developed by our Subsidiaries and Joint Ventures. For example, the loan agreements entered into by our Subsidiaries and Joint Venture prohibit dividend distributions unless the respective Subsidiary or Joint Venture satisfies a debt service coverage ratio and sufficiently funds debt service reserve and other accounts.

In addition, in the event of a bankruptcy, liquidation or reorganization of any of our Subsidiaries or our Joint Ventures, our claim against such Subsidiary's or Joint Venture's assets will be subordinate to the claims of lenders and other creditors. Furthermore, under the loans availed by our Subsidiaries and our Joint Ventures, the lenders retain a floating charge over all assets including dividend payments and certain other distributions made by our Subsidiaries and Joint Venture, providing the lenders with a first priority lien over such distributions on an event of default which could also adversely affect our ability to pay dividends in the future. Our reliance on dividend distributions from our Subsidiaries and Joint Venture could thus adversely affect our ability to pay dividends in the future.

52. *Increases in interest rates may adversely affect our results of operations.*

We are exposed to interest rate risk and have not currently entered into any swap or interest rate hedging transactions in connection with our financing agreements. We may enter into interest hedging contracts or other financial arrangements in the future to minimise our exposure to interest rate fluctuations. We cannot assure you, however, that we will be able to do so on commercially reasonable terms or any of such agreements we enter into will protect us fully against our interest rate risk. Any increase in interest expense may have an adverse effect on our business prospects, financial condition and results of operations.

53. *Our Promoters will continue to retain majority shareholding in us after the Issue, which will allow them to exercise significant influence over us and potentially create conflicts of interest.*

After the Issue is completed, our Promoters and Group Companies will own, directly and indirectly, approximately [●]% of our outstanding Equity Shares. Accordingly, our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of

substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoters as the Company's controlling shareholder could conflict with the Company's interests or the interests of its other shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in the Company's favour.

54. *Some of our Promoters and Group Companies operate in related areas of business.*

Some of our Promoters and Group Companies operate in related businesses and we have had, and will continue to have, business dealings with such companies. Corporate Ispat, our Promoter, has an operational power project. In addition, the main objects clause of the memorandum of association of some of our Promoters and Group Companies permits them to develop and operate power projects and undertake mining activities. There is no non-competition agreement in place between our Promoters or Group Companies and us. Our Promoters or Group Companies may develop power generation projects in the future that may compete with us. There may be conflicts of interest between our Promoters or Group Companies and us in bidding for new projects, supply of fuel, applying for coal linkages and in selling power from projects that are operated by us, our Promoters and Group Companies. We have also entered into key business contracts with our Promoters and Group Companies, including fuel supply agreements with our Promoter and EPC contracts with a Group Company. In case of any conflict, our Promoters may favor their interest or the interest of our Group Companies over us. For further information on Group Companies, see "Our Group Companies" on page 254.

55. *Contingent liabilities that have not been provided for could adversely affect our financial condition.*

As of March 31, 2010 and December 31, 2010, we had contingent liabilities that have not been provided for, in the following amounts, as disclosed in our audited consolidated financial statements:

(₹ in million)

Particulars	As of December 31, 2010	As of March 31, 2010
Guarantee given by the Company's bankers	698.34	312.76
Corporate Guarantee	3,000.00	-
Obligation against procurement under EPCG scheme	7,662.17	6,315.57
Share of contingent liabilities of our Joint Venture	423.72	264.95
Total	11,784.23	6,893.28

If any of these liabilities materialises, our financial condition could be adversely affected.

56. *We have issued Equity Shares during the last year at a price that may be below the Issue Price.*

We have issued Equity Shares in the last twelve months at a price that may be lower than the Issue Price. For further details, please see section titled "Capital Structure" on page 70.

57. *One of our Group Companies have incurred losses in the Fiscal Year 2010.*

One of our Group Companies, Toplight Tradelink Private Limited, has incurred losses in the Fiscal Year 2010. For details, see "Our Group Companies" on page 254.

58. *Our management will have significant flexibility in applying the Net Proceeds.*

We intend to use the Net Proceeds for the capital expenditures described in section titled "Objects of the Issue" on page 81. Our management may determine that it is appropriate to revise our estimated costs, fund

requirements and deployment schedule owing to factors such as geological assessments, exchange or interest rate fluctuations and changes in design or configuration of the power project, any rehabilitation and other preoperative expenses and other external factors which may not be within the control of our management.

Further, pending utilisation of the Net Proceeds and other financings, we intend to invest such Net Proceeds in interest-bearing liquid instruments including bank deposits and investments in financial products as approved by our Board of Directors. Although the utilisation of the Net Proceeds and other financings will be monitored by the Board and a Monitoring Agency, there are no limitations on interim investments that we can make using such Net Proceeds. In addition, ₹ [●] million has been allocated to general corporate purposes and will be used at the discretion of the management.

59. *The Net Proceeds may be inadequate and we may not be able to raise additional capital to fund the balance costs for power projects that are a part of the “Objects of the Issue”.*

The Net Proceeds are expected to cover a part of the estimated cost to complete our power projects. Towards the financing of the Banka Power Project, we have received sanction letters to underwrite the total debt requirement of ₹ 59,200.00 million from certain banks and financial institutions. Further, for the latter two units of the Chandwa Power Project, of the total debt requirement of ₹ 23,870 million, we have entered into loan agreements of ₹ 11,300 million and ₹ 12,570 million has been underwritten by SBI. Such underwriting letters or commitments are typically valid for a particular period and are subject to conditions and further documentation. We may not be able to fulfil all or any of the conditions or be able to enter into detailed financing arrangements, in which case the banks and financial institutions would have no obligation to provide such loans to us. For instance, SBI’s underwriting commitment for the latter two units of the Chandwa Power Project stands terminated if certain conditions as specified in the common loan agreement are not complied by June 30, 2011 except where such compliance is waived by SBI in writing. CPL has applied to SBI for an extension for compliance with certain of these conditions by July 31, 2011 for which it is yet to receive a response. For more details, see “Objects of the Issue – Means of Finance” and “Financial Indebtedness” on pages 81 and 381, respectively.

We cannot assure you that the Net Proceeds and the debt tied up will be adequate to finance the development of our power projects and we may need to raise an additional amount to fund the balance costs for these power projects. We cannot also assure you that we will be able to arrange additional financing on terms that would be acceptable to us, or at all. If we are unable to negotiate terms satisfactory to us, we will have to seek financing from other sources in order to complete these power projects. Other sources of financing may not be available and we may not be able to obtain the capital necessary to fund the development of the power projects.

60. *The Company is classified as a systemically important core investment company (“CIC-ND-SI”) and is required to be registered with the RBI and comply with certain requirements. The Company is yet to apply to the RBI for registration, and there can be no assurance that the Company would be able to comply with the regulations applicable to a CIC-ND-SI. In the event the Company is unable to comply with the regulations applicable to CIC-ND-SI’s, it may have to register as an NBFC with the RBI, which entails a more stringent regulatory framework and higher costs.*

The RBI has issued a circular dated August 12, 2010 as amended by a circular dated January 5, 2011, and the Core Investment Companies (Reserve Bank) Directions, 2011, setting out the conditions to be complied with by a company, as on the date of the last audited balance sheet, for it to be classified as a core investment company (“CIC”), and further for classification of CIC’s as CIC-ND-SI. For further details in relation to classification of CIC’s and CICs-ND-SI, see “Regulations and Policies” on page 204. As on December 31, 2010, the date of the last audited balance sheet of the Company, the Company satisfies the required conditions and hence is classified as a CIC-ND-SI. As such, the Company is required to apply for a certificate of registration from the RBI under Section 45-IA of the Reserve Bank of India Act, 1934 within six months of January 5, 2011. Further, the Company is required to ensure that its adjusted net worth at any point of time is not less than 30% of the aggregate risk weighted assets on the balance sheet and risk adjusted value of off-balance sheet as on date of the last audited balance sheet as at end of the financial

year, and that that the outside liabilities of the Company do not, at any point of time, exceed 2.5 times its adjusted net worth as on date of the last audited balance sheet as at end of the financial year. There can be no assurance that the Company would comply with these conditions for financial year ended March 31, 2011 or beyond. The RBI has recently notified regulations relating to CIC's and their interpretation is currently evolving. Any non-compliance with these conditions may lead to the imposition of penalties, denial/cancellation of registration as a CIC-ND-SI and may necessitate registration as an NBFC, and accordingly, compliance with a more stringent regulatory framework relating to NBFCs, which may entail additional compliance requirements, costs and adversely affect our business.

61. *Future sales of Equity Shares by our Promoters may adversely affect the market price of our Equity Shares.*

After the completion of the Issue, our Promoters will own, directly and indirectly, approximately [●]% of our outstanding Equity Shares. Sales of a large number of our Equity Shares by our Promoters could adversely affect the market price of our Equity Shares. Similarly, the perception that any such primary or secondary sale may occur could adversely affect the market price of our Equity Shares.

62. *Any future issuance of Equity Shares by us may dilute your shareholding and adversely affect the trading price of the Equity Shares.*

Any future issuance of Equity Shares by us, such as a primary offering or pursuant to a preferential allotment, may dilute your shareholding in us, adversely affect the trading price of our Equity Shares and could affect our ability to raise capital through an issuance of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

Additionally, the disposal of Equity Shares by any of our significant shareholders or our promoters, any future issuance of Equity Shares by us or the perception that such issuances or sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that we will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

63. *Certain tax laws and changes in tax laws, or their interpretation, may adversely affect our results of operations and financial condition*

Any change in tax laws, including the proposed migration from the Income Tax Act, 1961 to a direct tax code, or in the interpretation of the tax laws, may result in discontinuation or withdrawal of tax benefits or exemptions which we believe may be currently available to us, and may lead to an increase in income tax liability. Tax regulations have historically been subject to varying interpretations and applications by tax authorities, courts and tribunals. The Government of India has also recently proposed comprehensive indirect tax reforms including a shift to a unified goods and services tax system. We cannot currently ascertain the impact that such changes may have on us, and any change in tax laws or the interpretation and application of such laws could have an adverse effect on our business, financial condition and results of operations.

We expect to receive all of our income by way of dividends from our Subsidiaries and Joint Venture, which is subject to dividend distribution tax. Any increase in the rate of the dividend distribution tax would have an adverse effect on our results of operation and financial condition.

In addition, we are eligible for tax and other benefits under the Export Promotion Capital Goods Scheme (the "EPCG Scheme") of the Government of India. The EPCG scheme allows imports at concession rates of custom duty and requires the importer to export a specified quantity of goods over a period of eight years and meet certain export quantity milestones during the eight year period as specified in the EPCG Scheme. Non-fulfilment of such obligations may result in confiscation of capital goods imported under this scheme and other penalties as set out in this scheme. As of December 31, 2010, our total outstanding export obligations of under the EPCG Scheme was ₹ 7,662.17 million over the next seven years. In the event of any default under the EPCG Scheme, our results of operations may be adversely affected.

For details of the tax benefits available to us, see “Statement of Tax Benefits” on page 96. The Government of India may discontinue the tax benefits availed by us which may affect our business, results of operations and financial condition.

64. *Our Promoters, Group Companies, Subsidiaries, Joint Venture and associates may have availed of unsecured loans, which may be repayable on demand.*

Our Promoters, Group Companies, Subsidiaries, Joint Venture and associates may have availed of unsecured loans which could be recalled by the relevant lenders at any time, which in turn could adversely affect the business and financial condition of the relevant Promoter, Group Company, Subsidiary, Joint Venture and associate.

65. *We may be unable to avail the benefits of Clean Development Mechanism (“CDM”) in future.*

We expect to be eligible for the CDM benefits due to the high efficiency power generation using coal-fired super-critical technology that we intend to employ at our Banka Power Project. Due to the super-critical conditions, the efficiency of steam generation through super-critical technology is higher than that from the conventional sub-critical technology. Higher steam generation efficiency and hence higher overall cycle efficiency will lead to lower coal consumption for the generation of the same amount of electricity resulting in a reduction of greenhouse gas emissions into the atmosphere. Hence, we expect to be eligible for the CDM benefits for our Banka Power Project. The Kyoto Protocol is scheduled to expire in 2012 and subsequently a new framework for implementation of CDM may not be brought into effect immediately. The Banka Power Project is scheduled to be fully commissioned in October 2014 and as a result we may be unable to avail of the CDM benefits which may adversely affect our financial condition and results of operations.

66. *We do not own our Registered Office and other premises from which we operate.*

We do not own the immovable property on which our Registered Office and other premises are located. Although some of these properties have been occupied on licence from related parties, if any of the owners or licensors of these premises do not renew the agreements under which we occupy the premises or renew such agreements on terms and conditions unfavourable to us, our operations may suffer disruptions. For further details, see “Our Business” on page 125.

External Risks

67. *We face significant competition as a result of deregulation in the Indian power sector. We cannot assure you that we will be able to compete effectively, and our failure to do so could result in an adverse effect on our business prospects, financial condition and results of operations.*

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

68. ***Significant differences exist between Indian GAAP and other accounting principles, such as IFRS, which may be material to investors' assessment of our financial condition and results of operations. Our failure to successfully convert to IND AS within the prescribed time framework could have an adverse effect on our stock price.***

Our financial statements, including the audited financial statements and "Selected Financial Information" included in this Draft Red Herring Prospectus are prepared in accordance with Indian GAAP. We have not attempted to explain in a quantitative manner the impact of the International Financial Reporting Standards, or IFRS, on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of IFRS. 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. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. In making an investment decision, investors must rely upon their own examination of us, the terms of this Issue and the financial information contained in this Draft Red Herring Prospectus.

In addition, in our transition to IND AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, our transition may be adversely affected by increasing competition and increased costs for the relatively small number of IND AS-experienced accounting personnel available as more Indian companies begin to prepare IND AS financial statements.

69. ***Our financial results may be subject to seasonal variations and inclement weather could adversely affect our business and results of operations.***

Our revenues and results may be affected by seasonal factors. For example, inclement weather, including during monsoon season, may delay or disrupt development of our power projects undergoing construction at such times. Further, some of our power consumers may be engaged in businesses which are seasonal in nature and a downturn in demand for power by such consumers could reduce our revenue during such periods.

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

While a substantial portion of our revenues will be denominated in Rupees, we have and will continue to incur significant indebtedness denominated in foreign currencies to finance the development of power projects. As of April 30, 2011, we had foreign currency denominated indebtedness of US\$ 19.69 million. In addition, CPL carries foreign exchange risk on account of its liability for foreign exchange fluctuations in its EPC contracts with APRL. Accordingly, any depreciation of the Rupee against these currencies will increase the Rupee cost to us of servicing and repaying our foreign currency borrowings and costs, and as such adversely impact affect our results of operations and financial condition.

71. ***The continuation or recurrence of systemic events such as the recent global economic meltdown, instability of economic policies and the political situation in India or globally may adversely affect our performance.***

Conditions outside India, such as continued slowdowns in the economic growth of other countries may adversely impact the growth of the Indian economy, and Government policy may change in response to such conditions. The consequent slowdown in the Indian economy may adversely affect our business, including our ability to implement our business strategy and increase our participation in the power generation sector.

The current economic policies of the Government may change further to respond to the recent global economic meltdown or a recurrence thereof. Particularly, there may be changes to specific laws and policies affecting the industry and other policies affecting foreign investment in our business. Any

significant shift or change in India's economic policies and regulations may disrupt economic conditions in India and this may in turn affect our business, financial condition and results of operations.

Unstable internal and international political environment may impact the economic performance of the power generation industry, including our Company, in the short and long term. Our business, and the market price and liquidity of our Equity Shares, may be affected by reactionary changes in interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India on account of any changes in the global economic changes.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries. Financial turmoil in Asia, the United States, Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. The recent global economic downturn had a severe impact on the Indian equity markets. The Indian stock exchanges experienced significant volatility, with the BSE index declining by almost 50.0% over the second half of 2008 and early part of 2009. A loss in investor confidence in the financial systems of other markets may increase volatility in Indian financial markets and, indirectly, in the Indian economy in general, thereby adversely affecting our business, financial condition and results of operations.

72. *The occurrence of natural disasters may adversely affect our business, financial condition and results of operations.*

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, may adversely affect our financial condition or results of operations. The potential impact of a natural disaster such as the H5N1 "avian flu" virus, or H1N1, the swine flu virus, on our results of operations and financial position is highly speculative, and would depend on numerous factors. Although the long term effect of such diseases cannot currently be predicted, previous occurrences of avian flu and swine flu had an adverse effect on the economies of those countries in which they were most prevalent. In the case of any of such diseases, should the virus mutate and lead to human-to-human transmission of the disease, the consequence for our business could be severe. An outbreak of a communicable disease in India or in the particular region in which we have projects would adversely affect our business and financial conditions and the result of operations. We cannot assure prospective investors that such events will not occur in the future or that our business, financial condition and results of operations will not be adversely affected.

73. *Political instability or changes in the Government may delay the liberalisation of the Indian economy and adversely affect economic conditions in India generally, which may impact our business, financial condition and results of operations.*

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 our 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. Since 1991, successive Indian Governments have pursued policies of economic liberalisation and financial sector reforms. The current Government, which came to power in May 2009, is headed by the Indian National Congress and is a coalition of several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalisation policies that have been pursued by previous governments, the rate of economic liberalisation may change, and specific laws and policies affecting infrastructure, power generation, foreign investment and other matters affecting investment in our securities may change as well. However, we cannot assure you that such policies will be continued. A change in the Government in future may result in a significant change in the Government's policies that may adversely affect business and economic conditions in India and may also adversely affect our business, financial condition and results of operations.

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

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, and adversely affect our business. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares.

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

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

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

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

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

77. *Our ability to raise foreign capital may be constrained by Indian law. The limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.*

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for our power projects under implementation and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. The limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

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, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

79. ***We cannot assure you that the Equity Shares will be listed on the BSE and the NSE, which may restrict your ability to dispose of the Equity Shares.***

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

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

The Indian securities markets are smaller than the securities markets in more developed economies. Indian stock exchanges have experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares may be adversely affected.

The price of the Equity Shares may also fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian power generation sector and changing perceptions in the market about investments in the Indian infrastructure and power generation sectors in general and our Company in particular, adverse media reports on us or the Indian power generation sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies and significant developments in India's fiscal regulations.

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

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

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

Prominent Notes to Risk Factors

1. Public issue of [●] Equity Shares of ₹ 10 each of the Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ 13,750.00 million. The Issue comprises of a Net Issue of [●] Equity Shares aggregating up to ₹ [●] million to the public and a reservation of [●] Equity Shares aggregating up to ₹ 100 million for Eligible Employees. The Issue and the Net Issue

will constitute [●] % and [●] % respectively of the post-Issue paid-up equity share capital of our Company.

2. Our Company was incorporated as Abhijeet Infrastructure Capital Private Limited on July 16, 2002 under the Companies Act. Our Company was converted to a public limited company and was issued a fresh certificate of incorporation dated October 27, 2010. The name of our Company was changed to Abhijeet Power Limited, to reflect its current business activities, and a fresh certificate of incorporation was issued dated November 3, 2010. The change of name of our Company to Abhijeet Power Limited reflects the activities being carried out by our Company. The main objects Memorandum of Association of our Company has been amended to carry on the activities reflected by our new name. For details of changes in the name and amendments to the Memorandum of Association of our Company, please see “History and Certain Corporate Matters” on page 223.
3. Our Company’s net worth on a consolidated basis as at March 31, 2010 and December 31, 2010 was ₹ 13,767.87 million and ₹ 20,308.78 million, respectively.
4. The average cost of acquisition per Equity Share by our Promoters, Manoj Jayaswal, Abhijeet Mining Limited and Corporate Ispat is ₹ 3.55, ₹ 9.17 and ₹ 1.28, respectively.
5. The net asset value per Equity Share was ₹ 443.30 and ₹ 11.71 as at March 31, 2010 and December 31, 2010 respectively, as per our Company’s restated audited consolidated financial statements.
6. For details of the related party transactions entered into by our Company with our Subsidiaries and our Group Companies, nature of transactions and cumulative value of transactions, please see “Related Party Transactions” on page 288.
7. For details of Group Companies having business interests or other interests in our Company, please see “Related Party Transactions” on page 288.
8. There has been no financing arrangement whereby the Promoter Group, the directors of our Promoters, our Directors and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus.
9. Investors may contact any of the GCBRLMs or the BRLMs for complaints, information, clarifications or complaints pertaining to the Issue.

SUMMARY OF INDUSTRY

Unless otherwise indicated, all financial and statistical data in the following discussion is derived from websites of and publicly available documents from various sources, including the websites of the Ministry of Power and Central Electricity Authority (“CEA”). The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue have verified this information. Industry sources and publications generally state that the information contained therein are as of a particular date and has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information.

Overview of the Indian Economy

India is the world’s largest democracy by population, and one of the fastest growing economies in the world. India’s estimated population was 1.21 billion as of March 1, 2011 (*Source: Provisional Population Totals Paper 1 of 2011 India series 1, Census Data 2011 published by Office of Registrar General & Census Commissioner, India*). The Indian economy is among the fastest growing economies globally and has grown at an average rate of 8.4% per annum during the last five years (FY 2007 to FY 2011 - estimated). (*Source: Reserve Bank of India Macroeconomic and Monetary Development Reports*). In FY 2010, driven mainly by growth in the second and fourth quarters due to rebounding services, mining and quarrying, and manufacturing sectors, the Indian economy grew at an annual rate of 8.0%.

Large Energy Deficit Results in Low Per Capita Consumption of Electricity

The per capita consumption of power in India has increased from 566.7 kWh/ year in FY 2003 to 733.5 kWh/ year in FY 2009, at a compounded annual growth rate of 4.4% for the same period. Due to inadequate supply and distribution infrastructure, the per capita consumption of energy in India is extremely low in comparison to most other parts of the world. Any increase in per capita consumption of electricity in India necessitates an increase in the accessibility of electricity in rural India. The central government has set a target of 1,000 kWh per capita consumption by FY 2012, as envisaged in its National Electricity Policy.

Historical Capacity Additions

The energy deficit in India is a consequence of slow progress in the development of additional energy capacity. During the implementation of the last three Five-Year Plans (the Eighth, Ninth, and Tenth Five-Year Plans, covering the fiscal years 1992 to 2006), less than 50.0% of the targeted additional energy capacity was added. India added an average of approximately 20,000 MW to its energy capacity in each of the Ninth and Tenth Five-Year Plan periods (the fiscal years 1997 to 2001 and 2002 to 2006, respectively). (*Source: White Paper on Strategy for Eleventh Plan, prepared by CEA and Confederation of Indian Industry (the “White Paper”)*).

Installed Generation Capacity by Sector and Fuel

The following table and diagrams set forth a summary of India’s energy generation capacity as of March 31, 2011 in terms of fuel source and ownership:

(figures in MW)

Sector	Hydro	Thermal				Nuclear	Renewable Energy Sources	Total
		Coal	Gas	Diesel	Total			
State	27,257.0	47,257.00	4,327.12	602.61	52,186.73	0.00	3,008.85	82,452.5
Private	1,425.00	12,616.38	6,677.00	597.14	19,890.52	0.00	15,445.67	36,761.1
Central	8,885.40	34,045.00	6,702.23	0.00	40,747.23	4,780.00	0.00	54,412.6
Total	37,567.4	93,918.38	17,706.35	1,199.75	112,824.4	4,780.00	18,454.52	173,626.

Source: CEA, Monthly Review of Power Sector, March 2011, provisional figures

Future Demand-Supply Scenario and Capacity Additions

According to the CEA, as of March 31, 2011, India had an installed generation capacity of 173,626.4 MW. A key risk to the continued growth of the Indian economy is inadequate infrastructure. Infrastructure investment in India is on the rise, but growth may be constrained without further improvements. The capacity addition envisaged during the Eleventh Five-Year Plan is 78,700.0 MW as illustrated in the following table:

Sector	Hydro	Thermal	Nuclear	Total
Central	8,654.0	24,840.0	3,380.0	36,874.0
State	3,482.0	23,301.4	0.0	26,783.4
Private	3,491.0	11,552.0	0.0	15,043.0
All-India Total	15,627.0	59,693.0	3,380.0	78,700.4

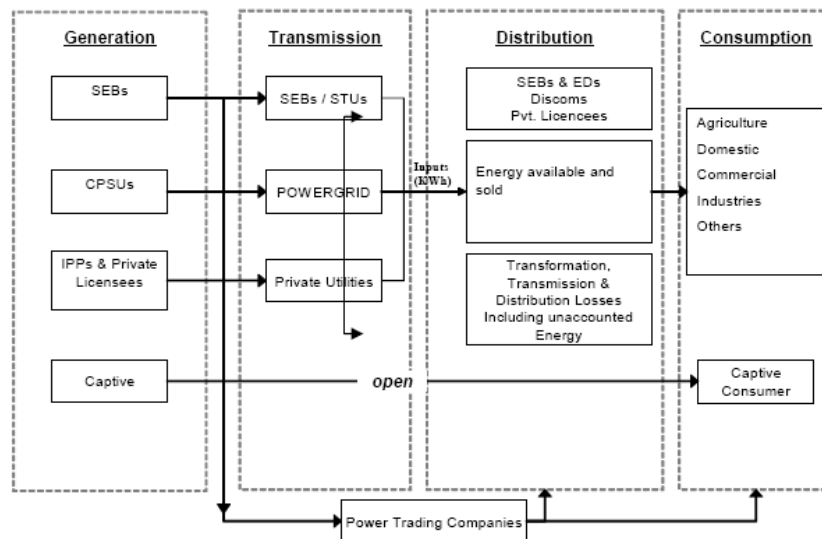
Source: CEA, "Power Scenario at a Glance", January 2011

Outlook for Fuel Supply

Given India's large coal reserves, coal is expected to continue to dominate as a source of fuel for power plants in India. India has the fourth largest coal reserves in the world. However, in the past, there were restrictions on the entry of private sector players into coal mining, which had caused India's coal production to remain low in comparison to its reserves. According to the BP Statistical Review of World Energy 2010, as of 2009, China had 13.9% of the world's proven coal reserves and accounted for 45.6% of world's total coal production, while India had 7.1% of the world's proven coal reserves but accounted for only 6.2% of the world's total coal production. (Source: BP Statistical Review of World Energy 2010)

Organisation of the Power Industry

The following diagram depicts the current structure of the Indian power industry:



Key to the diagram:

CPSUs
Discoms
ED
IPP
SEB
STU

Central Public Sector Undertakings
Distribution Companies
Electricity Department
Independent Power Producer
State Electricity Board
State Transmission Units

SUMMARY OF BUSINESS

This section should be read together with “Risk Factors” and “Industry” on pages 13 and 110 respectively.

Overview

We are a power project development company in India. We are currently developing three thermal power projects with a combined installed capacity of 2,671.6 MW in the states of Maharashtra, Jharkhand and Bihar. We intend to sell the power generated from these projects under a variety of off-take arrangements, including long, medium and short term PPAs to state owned and private distribution companies, private power trading companies and industrial consumers, and on merchant basis.

We are part of the Abhijeet Group, which has presence in various sectors. The Abhijeet Group has developed a 25 MW captive power project and a ferro alloys project in West Bengal, a road project in Karnataka and a bridge project in Maharashtra. We, in joint venture with CESC Limited (“CESC”), have been allocated a coal block in Jharkhand and one of our Promoters, Corporate Ispat Alloys Limited (“Corporate Ispat”), has been allocated a coal block in Jharkhand.

Pursuant to the Composite Scheme of Arrangement, the power business of Abhijeet Infra Limited (“AINL”), i.e., the equity shares of AMNEPL and CPL held by AINL, were transferred to the Company, with effect from March 31, 2010. For details, see “Composite Scheme of Arrangement” on page 221.

Our Power Projects

We currently have three coal fired power projects under various stages of development and planning:

- The MIHAN Power Project, is being developed by Abhijeet MADC Nagpur Energy Private Limited (“AMNEPL”), our Subsidiary, of which we control 74.0% of the shareholding (23.0% of the outstanding equity shares are held by our Company and 51.0% are held jointly by our Company as a beneficial and second holder, with AIL as the first holder) near Khaire Khurd village, in Nagpur district, Maharashtra, will have four coal-fired sub-critical generating units of 61.5 MW each and 16 back-up diesel generator sets of 1.6 MW each, aggregating 25.6 MW (“back-up DG sets”), with a combined installed capacity of 271.6 MW.
- The Chandwa Power Project, being developed by Corporate Power Limited (“CPL”), a Joint Venture in which we have a 48.99% equity interest, at Chandwa in Latehar district, Jharkhand, will have four coal-fired sub-critical generating units of 270 MW each, with a combined installed capacity of 1,080 MW
- The Banka Power Project, being developed by Jas Infrastructure and Power Limited (“JIPL”) at Siriya village in Banka district, Bihar, will have two coal-fired super-critical generating units of 660 MW each, with a combined installed capacity of 1,320 MW. Our Company currently holds 94.40% of the outstanding equity interest of JIPL.

For the Fiscal Year 2010 and the nine months ended December 31, 2010, our consolidated total income, as restated, was ₹ 2.85 million and ₹ 357.53 million, respectively.

Our Strengths

We believe that we enjoy the following competitive strengths:

- **Secured fuel supplies for our projects:** Given our expected access to sources of coal, through allocations of coal blocks and fuel supply arrangements, we believe that we will be able to meet the projected fuel requirements of each of our coal-fired power projects for at least a period of twenty years from their respective commissioning dates.

- ***Off-take arrangements for a portion of capacity under development:*** We have entered into a number of PPAs of varying lengths. In addition, certain of our power projects are required to give state electricity companies, in the states in which they are located, a right of first refusal over a portion of the power that our power projects generate. We expect to sell the remaining power from these power projects on merchant basis. We believe that our diverse off-take arrangements will provide us with the flexibility to take advantage of favourable market movements and contribute to stable revenues.
- ***Locational advantages of our power projects:*** The location of our power projects is a key strength because of their proximity to fuel sources, water sources and power grid connectivity points. The proximity of our power projects to fuel sources would allow us to reduce transportation costs. The proximity of our project sites to fuel and water sources and power grid connectivity points helps minimise our operating costs. In addition, we can purchase coal rejects at lower cost from washeries located near the fuel sources to further reduce our fuel costs.
- ***Experienced and qualified management:*** We are managed by an experienced management team which possesses extensive industry experience. Our management team has significant experience in financing, managing and implementing power projects, and we believe it constitutes one of our key competitive strengths in view of the large scale of the projects that we are currently implementing. For further details, see “Our Management” on page 228.
- ***Ability to leverage our association with the Abhijeet Group:*** We are a part of the Abhijeet Group, which operates in diversified sectors, including power generation, road development, manufacturing of ferro alloys and steel. We believe that our affiliation with the Abhijeet Group enables us to bid for certain power projects that we may otherwise be unable to bid for autonomously due to the necessity to fulfill certain financial and other eligibility criteria. We intend to leverage the Abhijeet Group’s established diversified relationships through the development and management of large and diversified projects as well as its experience and relationships in the procurement of vendor services and power transmission equipment

Our Strategy

We intend to pursue the following principal strategies to exploit our competitive strengths and grow our business:

- ***Focus on execution of power projects:*** We are focused on the efficient management of our projects under development and planning, including land acquisition, project design and execution. We intend to commission our projects under development in accordance with our current estimates. We intend to continue to outsource activities such as engineering, design and operations and maintenance training to the optimal partners in order to focus on the timely execution of our power projects.
- ***Focus on reduction of cost of power generation:*** We intend to continue to focus on reducing the cost of power generation by acquiring and developing captive fuel sources, pursuing economies of scale and securing favourable financing.
- ***Continue to focus on a structured approach to expand and diversify portfolio of power generation assets:*** We intend to pursue a structured approach to achieving growth by capitalising on our strengths and synergies. As part of this approach, we believe that strategic fuel sourcing, the location of our power projects in relation to fuel sources and our ability to take advantage of power deficits and network constraints are crucial in determining our ability to expand our portfolio of power generation assets:
- ***Establish an optimal mix of off-take arrangements:*** We intend to continue to pursue an optimal mix of long and medium term PPAs to minimise the risks and maximise returns for our stakeholders. Further, we plan to continue to maintain a significant portion of merchant power in our portfolio to take advantage of favourable prices in the electricity spot market.
- ***Continue to retain, recruit and train qualified personnel:*** Our operations require highly-skilled, qualified and experienced power project management and mining personnel. We intend to focus on hiring additional qualified personnel and continuously upgrading their skills and knowledge.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated unconsolidated financial statements as of and for the period December 31, 2010 and the years ended March 31, 2010, 2009, 2008, 2007 and 2006 and our restated consolidated financial statements as of and for the nine months ended December 31, 2010 and the year ended March 31, 2010. These financial statements have been prepared in accordance with Indian GAAP, the accounting standards prescribed by the Institute of Chartered Accountants of India, relevant provisions of the Companies Act, restated in accordance with SEBI Regulations and presented in the section “Financial Statements” on page 290. The summary financial information presented below should be read in conjunction with our restated unconsolidated and consolidated financial statements, the notes thereto and the section “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on page 367.

A. Consolidated

Summary Statement of Consolidated Assets and Liabilities-Restated

Particulars	As At 31.12.2010	As At 31.03.2010
	₹ in million	₹ in million
Fixed Assets		
Gross Block	973.60	424.48
Less: Accumulated Depreciation	11.39	6.13
Net Block	962.21	418.35
Capital Work-in- Progress	28745.69	11585.62
	29707.90	12003.97
Goodwill on Consolidation	9346.56	9346.56
Investments	14.08	357.55
Current Assets, Loans and Advances		
Interest Accrued and Due	-	3.71
Inventories	38.99	1.04
Sundry Debtors	218.33	1.48
Cash and Bank Balances	2372.33	1791.08
Loans and Advances	2100.99	1207.02
	4730.64	3004.33
Total (A)	43799.18	24712.41
Share Application Money Received	882.28	487.40
Shares Reserve for allotment by Subsidiary	119.42	-
Deferred Tax Liabilities	0.41	0.01
Liabilities and Provisions		
Secured Loans	16413.33	8468.18
Unsecured Loans	3044.82	30.27
Current Liabilities	3008.89	1950.69
Provisions	21.25	7.99
	22488.29	10457.13
Total (B)	23490.40	10944.54
NET WORTH	20308.78	13767.87
Net worth represented by		
Equity Share Capital	14627.84	238.94
Share Capital Suspense Account	-	10086.62
Reserves & Surplus	5400.17	3230.06
Minority Interest	318.71	212.25
Miscellaneous Expenditure	(37.94)	-
NET WORTH	20308.78	13767.87

Note: The above statement should be read with the Significant Accounting Policies and Notes to Summary Statement of Consolidated Assets and Liabilities, Summary Statement of Consolidated Profit and Loss Account and Statement of Consolidated Cash Flows as appearing in Annexure XIX.

Summary Statement of Consolidated Profit and Loss Account-Restated

Particulars	Period ended	Year ended
	31.12.2010	31.03.2010
	₹ in million	₹ in million
INCOME		
Sales	252.60	-
Other Income	104.93	2.85
TOTAL	357.53	2.85
EXPENDITURE		
Purchase of Traded Goods	247.06	-
Remuneration and Benefits to Employees	10.10	-
Administrative and Other Expenses	15.04	1.19
Interest and Financial charges	53.67	0.19
Depreciation	2.23	-
TOTAL	328.10	1.38
Profit Before Extraordinary Items	29.43	1.47
Extraordinary Item	-	-
Profit before tax	29.43	1.47
Provision for Tax -Current Tax	6.73	0.87
-Deferred Tax	0.40	-
Profit after tax before Minority Interest	22.30	0.60
Minority Interest	3.38	-
Balance brought forward	1.32	0.72
Balance carried to Balance Sheet	20.24	1.32

Note: The above statement should be read with the Significant Accounting Policies and Notes to Summary Statement of Consolidated Assets and Liabilities, Summary Statement of Consolidated Profit and Loss Account and Statement of Consolidated Cash Flows as appearing in Annexure XIX.

Summary Statement of Consolidated Cash Flows - Restated

	Particulars	Period ended	Year ended
		31.12.2010	31.03.2010
		₹ in million	₹ in million
A.	Cash Flow from Operating Activities		
	Net Profit before tax as per Profit and Loss Account	29.43	1.47
	<u>Adjustments for :</u>		
	Depreciation	2.23	-
	Interest Received	(77.75)	-
	Interest Paid	53.67	0.19
	Dividend Received	(0.33)	-
	Profit on Sale of Investment	(20.21)	-
	Operating Profit before Working Capital Change	(12.96)	1.66
	<u>Adjustments for :</u>		

	Particulars	Period ended	Year ended
		31.12.2010	31.03.2010
	Trade and Other Receivables	(1090.72)	(0.12)
	Increase in Inventories	(37.95)	-
	Trade Payables	1064.79	6.56
	Cash generated from Operations	(76.84)	8.10
	Direct taxes paid (including TDS) / Refund	(16.39)	(0.52)
	Deferred Revenue Expenditure	(37.95)	-
	Net Cash Flow from Operating Activities	(131.18)	7.58
B.	Cash Flow from Investing Activities		
	Increase in Fixed Assets	(326.62)	-
	Increase in Capital Work-in- Progress	(17157.04)	-
	Sale of Investments	377.76	-
	Purchase of Investments	(14.08)	(74.09)
	Interest Received	77.75	-
	Dividend Received	0.33	-
	Investment in Share Application Money	-	(204.18)
	Net Cash Flow from Investing Activities	(17041.90)	(278.27)
C.	Cash Flow from Financing Activities		
	Proceeds from allotment of Share Capital including Share Premium	6453.42	287.29
	Share Application Money Received	394.88	17.50
	Secured Loan	7875.15	-
	Short Term Loans	3084.55	(49.96)
	Interest Paid	(53.67)	(0.19)
	Net Cash Flow from Financing Activities	17754.33	254.64
	Net Increase in Cash and Cash Equivalents	581.25	(16.05)
	Cash and Cash Equivalents (Opening Balance)	0.28	16.33
	Acquired pursuant to the Scheme of arrangement	1790.80	-
		1791.08	16.33
	Cash and Cash Equivalents (Closing Balance)	2372.33	0.28
	Net Increase	581.25	(16.05)

Note:

1. The above statement should be read with the Significant Accounting Policies and Notes to Summary Statement of Consolidated Assets and Liabilities, Summary Statement of Consolidated Profit and Loss Account and Statement of Consolidated Cash Flows as appearing in Annexure XIX.
2. Transaction arising on account of Amalgamation of Abhijeet Infra Limited with the Company along with their effect on consolidation, being non cash transactions, are not considered for the purpose of Cash Flow Statement.
3. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements".
4. Figures in brackets indicate Outflows.

B. Standalone

Summary Statement of Assets and Liabilities - Restated

₹ in million

Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Fixed Assets						
Gross Block	0.47	-	-	-	-	-
Less: Depreciation	0.01	-	-	-	-	-
Net Block	0.46	-	-	-	-	-
Deferred Tax Assets	0.20	-	-	-	-	-
Investments	12221.07	9994.88	0.65	0.60	-	-
Current Assets, Loans and Advances						
Sundry Debtors	169.10	1.48	1.36	65.96	65.94	65.95
Cash and Bank Balances	202.02	0.28	16.33	0.38	1.15	0.36
Loans and Advances	9042.13	3649.75	64.88	0.20	0.01	101.87
Total (A)	21634.98	13646.39	83.22	67.14	67.10	168.18
Share Application Money Received	-	48.46	-	-	-	-
Liabilities and Provisions						
Secured Loan	1500.00	-	-	-	-	-
Unsecured Loan	-	30.27	80.23	65.73	65.28	102.40
Current Liabilities and Provisions	167.87	16.58	2.17	1.23	1.67	65.94
Total (B)	1667.87	95.31	82.40	66.96	66.95	168.34
Net Worth	19967.11	13551.08	0.82	0.18	0.15	(0.16)
Represented By						
Share Capital	14627.84	238.94	0.10	0.10	0.10	0.10
Share Capital Suspense Account	-	10086.62	-	-	-	-
Reserves & Surplus	5377.22	3225.52	0.72	0.08	0.05	(0.26)
Less :	37.95	-	-	-	-	-
Miscellaneous Expenditure not written off						
Net Worth	19967.11	13551.08	0.82	0.18	0.15	(0.16)

Note: The above statement should be read in conjunction with the significant Accounting Policies, Notes to Statement of Assets & Liabilities, Statement of Profits and Losses and Statement of Cash Flows as appearing in Annexure XIII.

Summary Statement of Profits and Losses – Restated

₹ in million

Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Income						
Sales	252.60	-	-	-	-	-
Other Income	111.41	2.83	1.59	0.06	0.59	0.03
	364.01	2.83	1.59	0.06	0.59	0.03

Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Expenditure						
Purchase of Traded Goods	247.06	-	-	-	-	-
Remuneration and benefits to Employees	10.10	-	-	-	-	-
Administrative and Other Expenses	1.15	1.18	0.01	0.01	0.03	0.02
Interest and Financial Charges	105.17	0.18	0.66	-	-	0.01
Depreciation	0.01	-	-	-	-	-
	363.49	1.36	0.67	0.01	0.03	0.03
Net Profit/(Loss) before Tax and Extraordinary Items	0.52	1.47	0.92	0.05	0.56	-
Extraordinary Items	-	-	-	-	-	-
Net Profit/(Loss) before Tax and after Extraordinary Items	0.52	1.47	0.92	0.05	0.56	-
Deferred Tax	(0.20)	-	-	-	-	-
Provision for Taxation	0.16	0.87	0.28	0.02	0.25	-
Net Profit/(Loss) after Tax	0.56	0.60	0.64	0.03	0.31	-
Add : Balance brought forward	1.32	0.72	0.08	0.05	(0.26)	(0.26)
Balance carried to Balance Sheet	1.88	1.32	0.72	0.08	0.05	(0.26)

Note: The above statement should be read in conjunction with the significant Accounting Policies, Notes to Statement of Assets & Liabilities, Statement of Profits and Losses and Statement of Cash Flows as appearing in Annexure XIII.

Summary Statement of Cash Flows – Restated

₹ in million						
Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Cash Flow from Operating Activities						
Net Profit before tax as per Profit and Loss Account	0.52	1.47	0.92	0.05	0.56	-
<u>Adjustments for :</u>						
Depreciation	0.01	-	-	-	-	-
Interest Received	(107.49)	-	-	-	-	-
Interest Expenses	105.17	0.18	0.66	-	-	-
Profit on Sale of Investment	(0.01)	-	-	-	-	-
Operating Profit before Working Capital Change	(1.80)	1.65	1.58	0.05	0.56	-
<u>Adjustments for :</u>						
Trade and Other Receivables	(52.24)	(0.12)	14.60	(0.03)	101.88	(110.55)
Trade Payables	151.13	6.56	0.66	(0.45)	(64.53)	0.01
Cash generated from operations	97.09	8.09	16.84	(0.43)	37.91	(110.54)
Direct taxes paid (including TDS) / Refund	(14.82)	(0.52)	(0.18)	(0.19)	(0.00)	(0.00)
Deferred Revenue Expenses	(37.95)	-	-	-	-	-
Net Cash Flow from Operating Activities	44.32	7.57	16.66	(0.62)	37.91	(110.54)

Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Cash Flow from Investing Activities						
Purchase of Fixed Assets	(0.47)	-	-	-	-	-
Purchase of Investments	-	(74.09)	(0.65)	(0.60)	-	-
Investment in Share Application Money	(6173.69)	(204.18)	(14.50)	-	-	-
Long Term Loan	(1561.51)	-	-	-	-	-
Sale of Investments	16.08	-	0.60	-	-	65.92
Interest Received	107.49	-	-	-	-	-
Net Cash Flow from Investing Activities	(7612.10)	(278.27)	(14.55)	(0.60)	-	65.92
Cash Flow from Financing Activities						
Proceeds from Issue of Share Capital including Share Premium	6404.96	287.29	-	-	-	-
Share Application Money received	-	17.50	-	-	-	-
Long Term Borrowings	1500.00	-	-	-	-	-
Short Term Loans	(30.27)	(49.96)	14.50	0.45	(37.12)	44.82
Interest Paid	(105.17)	(0.18)	(0.66)	-	-	-
Net Cash Flow from Financing Activities	7769.52	254.65	13.84	0.45	(37.12)	44.82
Net Increase in Cash and Cash Equivalents	201.74	(16.05)	15.95	(0.77)	0.79	0.20
Cash and Cash Equivalents (Opening Balance)	0.28	16.33	0.38	1.15	0.36	0.16
Cash and Cash Equivalents (Closing Balance)	202.02	0.28	16.33	0.38	1.15	0.36
Net Increase	201.74	(16.05)	15.95	(0.77)	0.79	0.20

Notes:

1. The above statement should be read in conjunction with the significant Accounting Policies, Notes to Statement of Assets & Liabilities, Statement of Profits and Losses and Statement of Cash Flows as appearing in Annexure XIII.
2. Transactions arising on account of Amalgamation of Abhijeet Infra Limited with the Company, being non cash transaction, are not considered for the purpose of Cash Flow Statement for the year ended 31st March, 2010.
3. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements," issued by the Institute of Chartered Accountants of India.
4. Figures in brackets indicate Outflows.

THE ISSUE

Issue of Equity Shares ¹	₹ 13,750 million
Employee Reservation Portion ²	₹ 100 million
Net Issue ¹	₹ [●] million
<i>Of which</i>	
A) QIB Portion ³	At least ₹ [●] million
<i>Of which</i>	
Anchor Investor Portion ⁴	Up to ₹ [●] million
Balance available for allocation to QIBs other than the Anchor Investor Portion (assuming the Anchor Investor Portion is fully subscribed)	₹ [●] million
<i>Of which:</i>	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	₹ [●] million
Balance for all QIBs including Mutual Funds	₹ [●] million
B) Non-Institutional Portion ³	Not less than ₹ [●] million
C) Retail Portion ³	Not less than ₹ [●] million
Equity Shares outstanding as on date of this Draft Red Herring Prospectus	1,462,784,356 Equity Shares
Equity Shares outstanding before the Issue but after the Preferential Allotment ⁵	1,610,784,356 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Net Proceeds	Please see “Objects of the Issue” on page 81 for information about the use of the Net Proceeds.

¹ Our Company is considering a Pre-IPO Placement of up to 333,333,333 Equity Shares for an amount not exceeding ₹ 5,000 million with various investors. The Pre-IPO Placement will be at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post-Issue paid-up Equity Share capital being offered to the public.

² A discount of upto 10% to the Issue Price determined pursuant to completion of the Book Building Process may be offered to Eligible Employees.

³ Under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the GCBRLMs and the BRLMs. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue at the discretion of our Company, in consultation with the GCBRLMs and the BRLMs. In case of under subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting up to 10% of the post Issue capital of our Company. If at least 50% of the Net Issue cannot be Allotted to QIBs, the entire application money shall be refunded.

⁴ Our 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, please see “Issue Procedure” on page 484.

⁵ Our Company may issue and allot up to 148,000,000 Equity Shares to our Promoter, AML, at a price of ₹ 15 per Equity Share (the “Preferential Allotment”) in terms of an agreement dated October 30, 2010 between our Company and AML, amended by amendment agreement dated May 16, 2011. The Preferential Allotment is at the discretion of our Company. Our Company will complete the issuance and allotment of the Equity Shares pursuant to the Preferential Allotment prior to the filing of the Red Herring Prospectus with the RoC.

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

GENERAL INFORMATION

Our Company was originally incorporated as Abhijeet Infrastructure Capital Private Limited on July 16, 2002 under the Companies Act. For further details, please see “History and Certain Corporate Matters” on page 223.

Registered Office of our Company

Abhijeet Power Limited

EN1, 3rd Floor, Insignia Towers
Sector V, Salt Lake
Kolkata 700 091
Tel: +91 33 4001 2114
Fax: +91 33 4001 2115
Email: ipo@abhijeet.in
Website: www.power.abhijeet.in
CIN: U40103WB2002PLC145294

Corporate office of our Company

Landmark Building
6th Floor, Ramdaspath
Wardha Road
Nagpur 440 010
Maharashtra
Tel: +91 712 301 1400
Fax: +91 712 301 1405

Address of Registrar of Companies

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

Registrar of Companies, West Bengal
Nizam Palace, 2nd MSO building
2nd floor, 234/4, A.J.C. Bose Road
Kolkata 700 020

Board of Directors

The Board of our Company comprises the following:

Name	Age	Designation	DIN	Address
Manoj Jayaswal	56	Chairman, Whole time Director	00127254	246, Usha Sadan, Pt. R. S. S. Marg, Civil Lines, Nagpur 440 001
Abhishek Jayaswal	33	Managing Director, Executive Director	00191841	246, Usha Sadan, Pt. R. S. S. Marg, Civil Lines, Nagpur 440 001
Abhijeet Jayaswal	29	Non-Executive Director	01790531	246, Usha Sadan, Pt. R. S. S. Marg, Civil Lines, Nagpur 440 001
K. Ravi Kumar	61	Non-Executive Director	00119753	277, Asian Games Village, New Delhi 110 049
T. S. Bhattacharya	63	Independent Director	00157305	Flat No. 8BE, B-1, Harbour Heights Colaba, Mumbai 400 005

Name	Age	Designation	DIN	Address
M. L. Bhakta	79	Independent Director	00001963	4 Sagar Villa, 38, Bhulabhai Desai Road, Mumbai 400 026
P. P. Sharma	62	Independent Director	00788601	410-B, Road no. 5, Ashok Nagar, Ranchi 834 002, Jharkhand
K. B. Dubey	61	Independent Director	01213458	B-1/ 401, PWO Society, Sector - 43, Gurgaon 112 202

For further details of the Directors, please see “Our Management” on page 228.

Company Secretary and Compliance Officer

Sanjay Dey is the Company Secretary and the Compliance Officer of our Company. His contact details are as follows:

Landmark Building
6th Floor, Ramdaspath
Wardha Road
Nagpur 440 010
Maharashtra
Tel: +91 712 301 1400
Fax: +91 712 301 1405
Email: ipo@abhijeet.in

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

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, application number, address of the applicant, 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 to the relevant SCSB, giving full details such as name, address of applicant, application number, ASBA account number, number of Equity Shares applied for, Bid Amount blocked and designated branch or the collection centre of the SCSB, Syndicate/sub-Syndicate Member where the ASBA Bid cum Application Form was submitted by the ASBA Bidder.

Global Coordinators and Book Running Lead Managers

DSP Merrill Lynch Limited

8th Floor, Mafatlal Centre
Nariman Point, Mumbai 400 021
Tel: +91 22 6632 8000
Fax: +91 22 2204 8518
Email: dg.abhijeetipo@baml.com
Investor Grievance Email:
dg.india_merchantbanking@baml.com
Website: www.dspml.com
Contact Person: Theresa Pimenta
SEBI Registration Number: INM000011625

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: abhijeet.ipo@enam.com
Investor Grievance Email: complaints@enam.com
Website: www.enam.com
Contact Person: Harish Lodha
SEBI Registration Number: INR000006856

Book Running Lead Managers

Axis Bank Limited

Axis House, E Wing, Level 7
Bombay Dyeing Mills Compound
P. B. Marg, Mumbai 400 025
Tel: +91 22 2425 5722
Fax: +91 22 4325 4700
Email: abhijeet.ipo@axisbank.com
Investor Grievance Email: axbmbd@axisbank.com
Website: www.axisbank.com
Contact Person: Dipen Kapadia/ Rajneesh Kumar
SEBI Registration Number: INM000006104

SBI Capital Markets Limited

202, Maker Towers 'E'
Cuffe Parade
Mumbai 400 005
Tel: + 91 22 2217 8300
Fax: + 91 22 2218 8332
E-mail: abhijeet.ipo@sbicaps.com
Investor Grievance Email:
investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Nithin Kanuganti/Saumadip Dey
SEBI Registration Number: INM000003531

IDFC Capital Limited

Naman Chambers, C-32, G Block
Bandra-Kurla Complex, Bandra (East)
Mumbai 400 051
Tel: +91 22 6622 2600
Fax: +91 22 6622 2501
Email: abhijeet.ipo@idfc.com
Investor Grievance Email: complaints@idfc.com
Website: www.idfccapital.com
Contact Person: Hiren Raipancholia
SEBI Registration Number: INM000011336

UBS Securities India Private Limited

2F, 2 North Avenue
Maker Maxity
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Tel: +91 22 6155 6100
Fax: +91 22 6155 6292
Email: customercare@ubs.com
Investor Grievance Email: customercare@ubs.com
Website: www.ubs.com/indianoffers
Contact Person: Puneet Gandhi
SEBI Registration Number: INM000010809

Domestic Legal Counsel to the Company

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

Domestic Legal Counsel to the GCBRLMs and the BRLMs

Luthra & Luthra Law Offices

103, Ashoka Estate
24, Barakhamba Road
New Delhi 110 001
Tel: + 91 11 4121 5100
Fax: + 91 11 2372 3909

International Legal Counsel to the GCBRLMs and the BRLMs

Jones Day

3 Church Street
14-02 Samsung Hub
Singapore 049483
Tel: +65 6538 3939
Fax: +65 6536 3939

Registrar to the Issue**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
Email: apl.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Sanjog Sud
SEBI Registration Number: INR000004058

Auditors to the Company**Chaturvedi Sohan & Co.**

Chartered Accountants
320, Tulsiani Chambers, Nariman Point
Mumbai 400 021
Tel: +91 22 2281 5154
Fax: +91 22 2281 4872
Email: Chaturvedi.sohan.co@chaturvedis.in
Firm Registration No.: 118424W

Bankers to the Issue and Escrow Collection Banks

[•]

Refund Bank(s)

[•]

Bankers to the Company**Axis Bank Limited**

MG House, Ravindranath Tagore Road
Civil Lines
Nagpur 400 001
Tel: +91 0712 662 1888, 662 1800
Fax: +91 0712 662 1850
Email: Nagpur.branchhead@axisbank.com

State Bank of India

Industrial Finance Branch
5, SAI Complex, Bharat Nagar, Amravati Road
Nagpur 440 010
Tel: +91 0712 254 3681, 2528 425
Fax: +91 0712 255 2703
Email: sbi.07136@sbi.co.in

Syndicate Members

[•]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of SEBI from time to time and for details on the Designated Branches of the SCSBs at which the physical ASBA Bid cum Application Forms may be submitted, please refer to <http://www.sebi.gov.in>.

Appraising Entities

Axis Bank Limited

Axis House, E Wing, Level 7
Bombay Dyeing Mills Compound P. B. Marg, Worli
Mumbai 400 025
Tel: +91 22 2425 5722
Fax: +91 22 4325 4700
Email: kishore.babu@axisbank.com

Punjab National Bank

44, Park Street,
Kolkata – 700 016
Tel: +91 33 4403 3203
Fax: +91 11 2332 3480
Email: bo0573@pnb.co.in

SBI Capital Markets Limited

202, Maker Tower E
Cuffe Parade
Mumbai 400 005
Tel: +91 22 2217 8394
Fax: +91 22 2216 0379
Email: Yashpal.Singh@sbicaps.com

UCO Bank

Mid Corporate Branch
Mafatlal Centre, 1st Floor
Churchgate Reclamation, Nariman Point
Mumbai 400 021
Tel: +91 22 4344 5202
Fax: +91 22 2202 6280
Email: bo.mcccchurchgate@ucobank.co.in

IPO Grading Agency

This Issue has been graded by [●] as [●], indicating [●]. The rationale furnished by the credit rating agency for its grading will be updated at the time of filing the Red Herring Prospectus with the RoC.

Monitoring Agency

[●]

Experts

Except the report of the Auditors dated March 16, 2011 and May 9, 2011 and the statement of tax benefits dated May 5, 2011 and certificate dated June 27, 2011 in relation to the Company being a systemically important core investment company, provided by the Auditors and the report of [●] in respect of the IPO grading of this Issue to be annexed to the Red Herring Prospectus, our Company has not obtained any expert opinions.

Inter-se Allocation of Responsibilities between the GCBRLMs and the BRLMs

The following table sets forth the *inter se* allocation of responsibilities for various activities among the GCBRLMs and the BRLMs for the Issue:

Sr. No.	Activities	Responsibility	Co-ordinators
1.	Capital structuring with relative components and formalities	Merrill Lynch, Enam, Axis, IDFC Capital, SBI Caps, UBS	Merrill Lynch
2.	Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting and design of Draft Red Herring Prospectus and of statutory advertisements including memorandum containing salient features of the Prospectus. The book running lead managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalization of Prospectus and RoC filing	Merrill Lynch, Enam, Axis, IDFC Capital, SBI Caps, UBS	Merrill Lynch

Sr. No.	Activities	Responsibility	Co-ordinators
	including co-ordination with Auditors for preparation of financials and drafting and approval of all statutory advertisements.		
3.	Drafting and approval of all statutory advertisement, roadshow presentation, frequently asked questions	Merrill Lynch, Enam, Axis, IDFC Capital, SBI Caps, UBS	Merrill Lynch
4.	Drafting and approval of all publicity material, including other than statutory advertisements as mentioned above, including corporate advertisement, brochure etc.	Merrill Lynch, Enam, Axis, IDFC Capital, SBI Caps, UBS	Enam
5.	Appointment of other intermediaries such as legal counsels, printers, Registrar(s) to the Issue, advertising agency and Bankers to the Issue and IPO grading agency.	Merrill Lynch, Enam, Axis, IDFC Capital, SBI Caps, UBS	Enam
6.	<ul style="list-style-type: none"> International institutional marketing strategy, which will cover, <i>inter alia</i> <ul style="list-style-type: none"> Finalizing the list and division of investors for one to one meetings Finalizing the International road show schedule and investor meeting schedules 	Merrill Lynch, Enam, Axis, IDFC Capital, SBI Caps, UBS	Merrill Lynch
7.	<ul style="list-style-type: none"> Domestic institutional marketing strategy, which will cover, <i>inter alia</i> <ul style="list-style-type: none"> Finalizing the list and division of investors for one to one meetings Finalizing the domestic road show schedule and investor meeting schedules 	Merrill Lynch, Enam, Axis, IDFC Capital, SBI Caps, UBS	Enam
8.	Retail marketing of the Issue, which will cover, <i>inter alia</i> <ul style="list-style-type: none"> Formulating marketing strategies, preparation of publicity budget Finalize media and public relations strategy; Finalize centers for holding conference for brokers, etc.; Follow-up on distribution of publicity and Issue materials including forms, Prospectus and deciding on the quantum of the Issue material; and Finalize bidding centers. 	Merrill Lynch, Enam, Axis, IDFC Capital, SBI Caps, UBS	Enam
9.	Non-institutional marketing of the Issue, which will cover, <i>inter alia</i> <ul style="list-style-type: none"> Formulating marketing strategies, preparation of publicity budget Finalize media and public relations strategy; Finalize centers for holding conference for brokers, etc. 	Merrill Lynch, Enam, Axis, IDFC Capital, SBI Caps, UBS	Merrill Lynch
10.	Managing the book, co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading.	Merrill Lynch, Enam, Axis, IDFC Capital, SBI Caps, UBS	Enam
11.	Finalization of pricing in consultation with the Company.	Merrill Lynch, Enam, Axis, IDFC Capital, SBI Caps, UBS	Merrill Lynch
13.	The post-bidding activities including management of escrow accounts, follow-up with bankers to the issue, co	Merrill Lynch, Enam, Axis, IDFC Capital,	Enam

Sr. No.	Activities	Responsibility	Co-ordinators
	coordination non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc. The post Issue activities will involve essential follow up steps, which include the finalization of listing of instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as the Register to the Issue and Bankers to the Issue and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company.	SBI Caps, UBS	

If any of these activities are handled by other intermediaries, the designated GCBRLM and/or BRLM shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge these responsibilities through suitable agreements with our Company.

Credit Rating

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

Trustees

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

Book Building Process

The book building, in the context of the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band, which will be decided by our Company, in consultation with the GCBRLMs and the BRLMs, and advertised at least two Working Days prior to the Bid/Issue Opening Date. The Issue Price is finalised after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the GCBRLMs and the BRLMs;
- 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 GCBRLMs and the BRLMs;
- the SCSBs;
- the Registrar to the Issue; and
- the Escrow Collection Banks.

In terms of Rule 19(2)(b) of the SCRR, as amended and under the SEBI Regulations, the Issue is being made through the Book Building Process wherein at least 50% of the Net Issue shall be Allotted 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 Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill over from any other category at the discretion of our Company, in consultation with the GCBRLMs and the BRLMs. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue at the discretion of our Company, in consultation with the GCBRLMs and the BRLMs. If at least 50% of the Net Issue cannot be

Allotted to QIBs, then the entire application money shall be refunded forthwith.

In accordance with the SEBI Regulations, QIBs Bidding in the QIB Portion are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date and Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. For further details, please see “Terms of the Issue” on page 477.

We will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed the GCBRLMs and the BRLMs to manage the Issue and procure subscriptions to the Issue. **The investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.**

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid (please see “Issue Procedure – Who Can Bid?” on page 486);
2. Ensure that you have a PAN, a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Except for Bids on behalf of the Central or State Governments and the officials appointed by the courts and Bidders resident in the state of Sikkim, for Bids of all values, ensure that you have mentioned your PAN in the Bid cum Application Form (please see “Issue Procedure – Permanent Account Number” on page 505):
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form;
5. Bids by QIBs and Non-Institutional Bidders will only have to be submitted through the ASBA process; and
6. Bids by ASBA Bidders will have to be admitted to the Designated Branches or to Syndicate/sub-Syndicate Members (if applicable). ASBA Bidders should ensure relevant bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the ASBA Bid cum Application Form is not rejected.
7. Ensure that the address, Bidders bank account details, MICR code and occupation are updated, true and correct in all respects.

Illustration of Book Building and Price Discovery Process (*Investors should note that this example is solely for illustrative purposes and is not specific to the Issue and excludes Anchor Investors.*)

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

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

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, *i.e.*, ₹ 22.00 in the above example. The issuer, in consultation with the GCBRLMs and the BRLMs, will finalise the issue price at or below such cut-off price, *i.e.*, at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Withdrawal of the Issue

Our Company, in consultation with the GCBRLMs and 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 our Company shall issue a public notice in the newspapers, in which the pre-Issue advertisements were published providing reasons for not proceeding with the Issue. The GCBRLMs and the BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the day of receipt of such notification. Our Company shall also inform the Stock Exchanges on which the Equity Shares are proposed to be listed.

If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with a public issue of our Company's Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Any further issuances by our Company shall be undertaken in accordance with applicable law.

Bid/Issue Programme

BID/ISSUE OPENS ON	 ● *
BID/ISSUE CLOSES ON	 ● **

* *Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date.*

** *Our Company may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date.*

Except in relation to Bids received from Anchor Investors, 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 shall be accepted **only between 10.00 a.m. and 3.00 p.m.** (IST) and shall be uploaded until (i) 4.00 p.m. (IST) in case of Bids by QIB Bidders and Non-Institutional Bidders and 5.00 p.m. in case the Bid/Issue Period for QIBs closes on Working Day prior to the Bid /Issue Closing Date; and (ii) until 5.00 p.m. (IST) in case of Bids by Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion. It is clarified that Bids not uploaded in the book, would be rejected. If such Bids are not uploaded, our Company and the Syndicate Members will not be responsible. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the Stock Exchanges.

Due to the 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. All times mentioned in this Draft Red Herring Prospectus are IST. 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. If such Bids are not uploaded, the Issuer, the GCBRLMs, the BRLMs, Syndicate Members and the SCSBs will not be responsible. Bids will be accepted only on Working Days.

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

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

Our Company, in consultation with the GCBRLMs and the BRLMs, reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Regulations provided that the Cap Price is less than or

equal to 120% of the Floor Price and the Floor Price cannot be less than the face value of the Equity Shares. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least two Working Days before the Bid/Issue Opening Date.

In case of revision of 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 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 widely disseminated by notification to BSE and NSE, by issuing a press release, by indicating the changes on the websites of the GCBRLMs, the BRLMs, and at the terminals of the Syndicate. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of ₹ 5,000 to ₹ 7,000.

Underwriting Agreement

After the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the GCBRLMs and the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

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

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

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (₹ In million)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and this will be finalised after pricing and actual allocation.

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

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

Notwithstanding the above table, the GCBRLMs, the BRLMs and the Syndicate Members shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) final Listing and trading approvals of the Stock Exchanges, which our 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 our Company as at the date of this Draft Red Herring Prospectus is set forth:

(In ₹ million except Equity Share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A	AUTHORISED SHARE CAPITAL		
	10,130,000,000 Equity Shares	101,300.00 [*]	
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE AND THE PREFERENTIAL ALLOTMENT		
	1,462,784,356 Equity Shares	14,627.84	
C	PROPOSED PREFERENTIAL ALLOTMENT¹		
	148,000,000 Equity Shares	1,480.00	
D	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE BUT AFTER THE PROPOSED PREFERENTIAL ALLOTMENT		
	1,610,784,356 Equity Shares	16,107.84	
E	PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS²		
	[●] Equity Shares	[●]	13,750.00
	<i>of which</i>		
(a)	EMPLOYEE RESERVATION PORTION		
(b)	[●] Equity Shares	[●]	100.00
	NET ISSUE TO THE PUBLIC		
	[●] Equity Shares ³	[●]	[●]
F	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE AND THE PREFERENTIAL ALLOTMENT		
	[●] Equity Shares	[●]	[●]
G	SECURITIES PREMIUM ACCOUNT		
	Before the Issue and the Preferential Allotment	2,199.60	
	Before the Issue but after the Preferential Allotment	2,939.60	
	After the Issue		[●]

^{*} As per the Composite Scheme of Arrangement approved by the High Court at Calcutta, the authorized share capital of our Company has been increased to ₹101,300,000,000. However, the same is yet to be updated in Company Master Data with the RoC. Our Company has made an application dated November 24, 2010 to the RoC requesting that the authorized share capital of our Company be increased from ₹ 100,000 million to ₹101,300 million giving effect to the Scheme

¹ Our Company may issue and allot up to 148,000,000 Equity Shares to our Promoter, AML, at a price of ₹15 per Equity Share (the "Preferential Allotment") in terms of an agreement dated October 30, 2010 between our Company and AML, amended by amendment agreement dated May 16, 2011. The Preferential Allotment is at the discretion of our Company. Our Company will complete the issuance and allotment of the Equity Shares pursuant to the Preferential Allotment prior to the filing of the Red Herring Prospectus with the RoC.

² The Issue has been authorised by our Board and the shareholders of our Company pursuant to their resolutions dated November 3, 2010 and November 25, 2010, respectively.

³ Our Company is considering a Pre-IPO placement of up to 333,333,333 Equity Shares with various investors ("Pre-IPO Placement") for an amount not exceeding ₹ 5,000 million. The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to the filing of the Red Herring Prospectus with the RoC.

If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum of 10% of the post Issue paid-up capital being offered to the public.

Changes in the Authorised Capital

- (1) The authorised share capital of ₹ 20,000,000 divided into 2,000,000 Equity Shares was increased to ₹ 240,000,000 divided into 24,000,000 Equity Shares, pursuant to a resolution of our shareholders dated March 25, 2010.
- (2) The authorised share capital of ₹ 240,000,000 divided into 24,000,000 Equity Shares was increased to ₹ 100,000,000,000 divided into 10,000,000,000 Equity Shares, pursuant to a resolution of our shareholders dated October 13, 2010.
- (3) The authorised share capital of ₹ 100,000,000,000 divided into 10,000,000,000 Equity Shares was increased to ₹ 101,300,000,000 divided into 10,130,000,000 Equity Shares, pursuant to approval of the Composite Scheme of Arrangement by the Calcutta High Court.

Notes to the Capital Structure

1. History of the Equity Share Capital of our Company

- (a) The following is the history of the Equity Share capital and securities premium account of our Company:

Date of allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (cash, other than cash etc)	Reasons for allotment	Cumulative No. of Equity Shares	Cumulative paid-up Equity Capital (₹)	Cumulative securities Premium (₹)
July 16, 2002	10,000	10	10	Cash	Subscription to the Memorandum of Association	10,000	100,000	Nil
August 31, 2009	100,000	10	10	Cash	Preferential allotment to Manoj Jayaswal, Abhishek Jayaswal and Abhijeet Jayaswal	110,000	1,100,000	Nil
December 18, 2009	28,550	10	170	Cash	Preferential allotment to Great Lairly Holdings Limited	138,550	1,385,500	4,568,000
March 24, 2010	274,296	10	170	Cash	Preferential allotment to Great Lairly Holdings Limited	412,846	4,128,460	48,455,360
March 25, 2010	13,416,880	10	10	Cash	Preferential allotment to Abhijeet Mining Limited	13,829,726	138,297,260	48,455,360
March 31, 2010	10,064,120	10	10	Cash	Preferential allotment to Abhijeet Mining Limited	23,893,846	238,938,460	48,455,360
October 30, 2010	1,008,661,680	10	See Note	Other than cash	Allotment to shareholders	1,032,555,526	10,325,555,260	48,455,360

Date of allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (cash, other than cash etc)	Reasons for allotment	Cumulative No. of Equity Shares	Cumulative paid-up Equity Capital (₹)	Cumulative securities Premium (₹)
			below		of AINL pursuant to the Composite Scheme of Arrangement			
October 30, 2010	396,895,500	10	15	Cash	Preferential allotment to AML	1,429,451,026	14,294,510,260	2,032,932,860
October 30, 2010	33,333,330	10	15	Cash	Preferential allotment to investors ¹	1,462,784,356	14,627,843,560	2,199,599,510

¹ Allotment to Continental Fiscal Management Limited, Kanupriya Commercials Private Limited, ETL Infrastructure Finance Limited, Unisys Software Holding Industries Limited, Kashmir Motors and General Finance Private Limited, Shambhu Agencies Private Limited, Abhiruchi Vision Private Limited, Sidhu Investments Private Limited, Gouri Merchandise Private Limited and Ganesh Vincom Private Limited.

Note: The Calcutta High Court has, by its order dated August 25, 2010, approved the Composite Scheme of Arrangement, in terms of which the engineering, procurement and construction division of AINL was transferred to APRL and the power business of AINL has been amalgamated into our Company. In terms of the said Composite Scheme of Arrangement, our Company has issued and allotted 1,008,661,680 Equity Shares in the ratio of 39 Equity Shares for every 5 shares held in the AINL to the members of AINL (as on March 31, 2010) on October 30, 2010. For further details, please see “Composite Scheme of Arrangement” on page 221.

- (b) Except for 1,008,661,680 Equity Shares allotted to the shareholders of AINL pursuant to the Composite Scheme of Arrangement, our Company has not allotted any Equity Shares for consideration other than cash.

2. Preferential Allotment

Our Company may issue up to 148,000,000 Equity Shares to our Promoter, AML at a price of ₹ 15 per Equity Share aggregating up to ₹ 2,220.00 million (the “Preferential Allotment”) in terms of the agreement dated October 30, 2010, amended by amendment agreement dated May 16, 2011. The Preferential Allotment is at the discretion of our Company. Our Company will complete the issuance and allotment of the Equity Shares pursuant to the Preferential Allotment prior to the filing of the Red Herring Prospectus with the RoC.

3. History of the Equity Share Capital held by the Promoters

- (a) Details of the build up of our Promoters’ shareholding in our Company:

Date of Allotment/ Transfer	No. of Equity Shares allotted/ transferred	Face Value (₹)	Issue/ Acquisition Price (₹)	Nature of consideration (Cash, gift, etc.)	Nature of transaction	Percentage of pre- Issue Capital		% of post- Issue Capital
						As on the date of the Draft Red Herring Prospectus	After the Preferential Allotment	
Manoj Jayaswal								
March 24, 2009	2,500	10	10	Cash	Transfer from Anand Jayaswal	0.00	0.00	[●]
August 31, 2009	25,000	10	10	Cash	Allotment	0.00	0.00	[●]
September 10, 2010	(100)	10	10	Cash	Transferred to Manisha Jayaswal	-	-	-
October 30, 2010	78,000	10	See Note 1(a) under “Notes to Capital Structure –	Other than cash	Allotment pursuant to the Composite Scheme of	0.01	0.01	[●]

Date of Allotment/ Transfer	No. of Equity Shares allotted/ transferred	Face Value (₹)	Issue/ Acquisition Price (₹)	Nature of consideration (Cash, gift, etc.)	Nature of transaction	Percentage of pre- Issue Capital		% of post-Issue Capital
						As on the date of the Draft Red Herring Prospectus	After the Preferential Allotment	
			History of the Equity Share Capital of our Company” above		Arrangement			
Total (A)	105,400					0.01	0.01	[●]
Abhijeet Mining Limited								
March 25, 2010	13,416,880	10	10	Cash	Allotment	0.92	0.79	[●]
March 31, 2010	10,064,120	10	10	Cash	Allotment	0.69	0.59	[●]
October 30, 2010	645,072,480 ¹	10	See Note 1(a) under “Notes to Capital Structure – History of the Equity Share Capital of our Company” above	Other than cash	Allotment pursuant to the Composite Scheme of Arrangement	44.10	37.75	[●]
October 30, 2010	396,895,500	10	15	Cash	Preferential allotment	27.13	23.23	[●]
December 4, 2010	302,846	10	175	Cash	Transfer from Great Lairyly Holdings Limited	0.02	0.02	[●]
Total (B)	1,065,751,826					72.86	62.37	[●]
Corporate Ispat Alloys Limited jointly with Abhijeet Mining Limited								
October 30, 2010	363,121,200	10	See Note 1(a) under “Notes to Capital Structure – History of the Equity Share Capital of our Company” above	Other than cash	Allotment pursuant to the Composite Scheme of Arrangement	24.82	21.25	[●]
Total (C)	363,121,200					24.82	21.25	[●]
Total Promoter’s shareholding (A + B + C)	1,428,978,426					97.69	83.63	[●]

¹ This includes 211,910,400 Equity Shares which were held by AML jointly with others and were transferred to AML on November 3, 2010.

None of the Equity Shares held by our Promoters have been pledged.

(b) Details of Promoters’ contribution and Lock-in:

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 (₹)	Issue/Acquisition Price per Equity Share (₹)	Percentage of post-Issue paid-up Equity Share capital
[●]		[●]	[●]	[●]	[●]	[●]

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% 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.

Out of the 1,008,271,680 Equity Shares allotted to the shareholders of AINL including our Promoters pursuant to the Composite Scheme of Arrangement, 486,857,280 Equity Shares have been allotted in lieu of business and invested capital of AINL that had been in existence for a period of more than one year prior to (i) the Effective Date of the Composite Scheme of Arrangement and (ii) the allotment of Equity Shares by our Company. These Equity Shares and other Equity Shares that will be locked in as minimum Promoters' contribution will not be ineligible under Regulation 33 of the SEBI Regulations.

Our Company has obtained specific written consent from our Promoters for inclusion of the Equity Shares held by them in the minimum Promoters' contribution subject to lock-in. Further, our Promoters have given an undertaking to the effect that they shall not sell/transfer/dispose off 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 post-Issue paid-up equity shareholding of our Company held by our Promoters and locked-in for three years as specified above, the entire pre-Issue Equity Share capital (including any Equity Shares allotted pursuant to the Preferential Allotment and Pre-IPO Placement, if any) 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 our Promoters which are locked-in for a period of three years can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or institution. Further, 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 Equity Shares is one of the terms of sanction of the loan.

The Equity Shares held by our Promoters which are locked-in for a period of one year can be pledged with a 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 our Promoters and locked-in may be transferred to and amongst the Promoter Group or to a new promoter or persons in control of our 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 our 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, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Code.

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

Any Equity Shares Allotted to Anchor Investors shall be locked-in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

4. Shareholding Pattern of our Company

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 shareholders	Pre-Issue ¹								Post-Issue ¹			
		Total No. of Equity Shares		No. of Equity Shares in dematerialised form		Total Equity Shareholding as a % of total No. of Equity Shares				Total No. of Equity Shares	No. of Equity Shares in dematerialised form	Total Equity Shareholding as a % of total No. of Equity Shares	
						As on the date of the Draft Red Herring Prospectus	After the Preferential Allotment ²	As on the date of the Draft Red Herring Prospectus	After the Preferential Allotment ²			As on the date of the Draft Red Herring Prospectus	
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													
(I) Indian													
Individuals / Hindu Undivided Family													
Abhijeet Jayaswal	1	179,600	179,600	179,600	[●]	0.01	0.01	0.01	0.01	[●]	[●]	[●]	[●]
Abhishek Jayaswal	1	132,900	132,900	132,900	[●]	0.01	0.01	0.01	0.01	[●]	[●]	[●]	[●]
Manisha Jayaswal	1	78,880	78,880	78,880	[●]	0.01	0.01	0.01	0.01	[●]	[●]	[●]	[●]
Manoj Jayaswal	1	105,400	105,400	105,400	[●]	0.01	0.01	0.01	0.01	[●]	[●]	[●]	[●]
Swati Jayaswal	1	7,020	7,020	7,020	[●]	0.00	0.00	0.00	0.00	[●]	[●]	[●]	[●]
Bodies Corporate													
Corporate Ispat jointly with AML	1	363,121,200	363,121,200	0	[●]	24.82	24.82	22.54	22.54	[●]	[●]	[●]	[●]
AML	1	1,065,751,826	1,213,751,826	1,065,751,826	[●]	72.86	72.86	75.35	75.35	[●]	[●]	[●]	[●]
Sub-Total (A) (1)	7	1,429,376,826	1,577,376,826	1,066,255,626	[●]	97.72	97.72	97.93	97.93	[●]	[●]	[●]	[●]
(2) Foreign													
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	7	1,429,376,826	1,577,376,826	1,066,255,626	[●]	97.72	97.72	97.93	97.93	[●]	[●]	[●]	[●]
(B) Public Shareholding													
(1) Institutions	0	0	0	0	0	0	0	0	0	[●]	[●]	[●]	[●]
Sub-Total (B) (1)	0	0	0	0	0	0	0	0	0	[●]	[●]	[●]	[●]
(2) Non-Institutions													
Bodies Corporate	9	33,333,330	33,333,330	0.00	[●]	2.28	2.28	2.07	2.07	[●]	[●]	[●]	[●]
Individuals -													

Category of Shareholders	No. of shareholders	Pre-Issue ¹								Post-Issue ¹			
		Total No. of Equity Shares		No. of Equity Shares in dematerialised form		Total Equity Shareholding as a % of total No. of Equity Shares				Total No. of Equity Shares	No. of Equity Shares in dematerialised form	Total Equity Shareholding as a % of total No. of Equity Shares	
						As on the date of the Draft Red Herring Prospectus	After the Preferential Allotment ²	As on the date of the Draft Red Herring Prospectus	After the Preferential Allotment ²			As on the date of the Draft Red Herring Prospectus	
As a % of (A+B)	As a % of (A+B+C)	As a % of (A+B)	As a % of (A+B+C)										
Individual shareholders holding nominal share capital in excess of ₹1 lakh	1	74,200	74,200	74,200	[●]	0.00	0.00	0.00	0.00	[●]	[●]	[●]	[●]
Sub-Total (B) (2)	10	33,407,530	33,407,530	74,200	[●]	2.28	2.28	2.07	2.07	[●]	[●]	[●]	[●]
Total Public Shareholding (B) = (B)(1)+(B)(2)	10	33,407,530	33,407,530	74,200	0	2.28	2.28	2.07	2.07	[●]	[●]	[●]	[●]
TOTAL (A)+(B)	17	1,462,784,356	1,610,784,356	1,066,329,826	[●]	100.00	100.00	100.00	100.00	[●]	[●]	[●]	[●]
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]
(D) Eligible Employees (pursuant to the Employee Reservation Portion)	-	-	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]
GRAND TOTAL (A)+(B)+(C)+(D)	17	1,462,784,356	1,610,784,356	1,066,329,826	[●]	100.00	100.00	100.00	100.00	[●]	[●]	[●]	[●]

¹ The Equity Shares are not pledged or otherwise encumbered.

² Our Company may issue and allot up to 148,000,000 Equity Shares to our Promoter, Abhijeet Mining Limited, at a price of ₹ 15 per Equity Share (the “Preferential Allotment”) in terms of an agreement dated October 30, 2010 between our Company and Abhijeet Mining Limited, amended by amendment agreement dated May 16, 2011. The Preferential Allotment is at the discretion of our Company. Our Company will complete the issuance and allotment of the Equity Shares pursuant to the Preferential Allotment prior to the filing of the Red Herring Prospectus with the Registrar of Companies (the “RoC”)

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

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

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage (%)
1.	AML	1,065,751,826	72.86
2.	Corporate Ispat jointly with AML	363,121,200	24.82
3.	Continental Fiscal Management Limited	5,000,000	0.34
4.	Kashmir Motors and General Finance Private Limited	4,666,666	0.32
5.	Kanupriya Commercials Private Limited	4,333,333	0.30
6.	ETL Infrastructure Finance Limited	4,000,000	0.27
7.	Ganesh Vincom Private Limited	3,666,666	0.25
8.	Gouri Merchandise Private Limited	3,666,666	0.25
9.	Shambhu Agencies Private Limited	3,333,333	0.23
10.	Abhiruchi Vision Private Limited	2,666,666	0.18

(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 (%)
1.	AML	1,065,751,826	72.86
2.	Corporate Ispat jointly with AML	363,121,200	24.82
3.	Continental Fiscal Management Limited	5,000,000	0.34
4.	Kashmir Motors and General Finance Private Limited	4,666,666	0.32
5.	Kanupriya Commercials Private Limited	4,333,333	0.30
6.	ETL Infrastructure Finance Limited	4,000,000	0.27
7.	Ganesh Vincom Private Limited	3,666,666	0.25
8.	Gouri Merchandise Private Limited	3,666,666	0.25
9.	Shambhu Agencies Private Limited	3,333,333	0.23
10.	Abhiruchi Vision Private Limited	2,666,666	0.18

(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 (%)
1.	Abhijeet Jayaswal	2,500	25.00
2.	Abhishek Jayaswal	5,000	50.00
3.	Manoj Jayaswal	2,500	25.00

6. Our Company, our Directors, the GCBRLMs 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 GCBRLMs nor the BRLMs nor their respective associates hold any Equity Shares of our Company.

8. We have currently not raised any bridge loans against the Net Proceeds of the Issue. However, depending on business requirements, we might consider raising bridge financing facilities, prior to the filing of the Red Herring Prospectus.

9. Except as stated in “Our Management” on page 228, none of our Directors or key management personnel hold any Equity Shares in our Company. For the shareholding of the Promoter Group in our Company, please see “Notes to the Capital Structure – Shareholding Pattern of our Company” above. Apart from Manoj Jayaswal, Abhishek Jayaswal and Abhijeet Jayaswal, who are directors of our Promoters, AML and

Corporate Ispat, none of the directors of our Promoters hold any Equity Shares in our Company. For the shareholding of Manoj Jayaswal, Abhishek Jayaswal and Abhijeet Jayaswal in our Company, please see “Notes to the Capital Structure – Shareholding Pattern of our Company” above.

10. Except as stated below, none of our Promoters, directors of the Promoter, Promoter Group, our 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:

Sr. No.	Name of the Director/ Promoter/ Promoter Group	Date of the Transaction	No. of Equity Shares	Transaction price (₹)	Nature of transaction
1.	AML	December 4, 2010	302,846	175.00	Transfer of Equity Shares held by Great Lairly Holdings Limited

11. Our 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 which may be lower than the Issue Price, except as follows:

Name of entity / person	Number of Equity Shares	Date of the issue	Issue price (₹)	Reason
Allotments pursuant to Composite Scheme of Arrangement	1,008,661,680	October 30, 2010	See Note 1(a) under “Notes to Capital Structure – History of the Equity Share Capital of our Company” above	Allotment pursuant to the Composite Scheme of Arrangement
AML	396,895,500	October 30, 2010	15.00	Allotment
Abhiruchi Vision Private Limited	2,666,666	October 30, 2010	15.00	Allotment
Continental Fiscal Management Limited	5,000,000	October 30, 2010	15.00	Allotment
ETL Infrastructure Finance Limited	4,000,000	October 30, 2010	15.00	Allotment
Unisys Software Holdings Industries Limited	3,333,333	October 30, 2010	15.00	Allotment
Kanupriya Commercial Private Limited	4,333,333	October 30, 2010	15.00	Allotment
Ganesh Vincon Private Limited	2,666,666	October 30, 2010	15.00	Allotment
Gouri Merchandise Private Limited	2,666,666	October 30, 2010	15.00	Allotment
Kashmir Motor and General Finance Private Limited	3,333,333	October 30, 2010	15.00	Allotment
Sidhu Investments Private Limited	2,000,000	October 30, 2010	15.00	Allotment
Sambhu Agencies Private Limited	3,333,333	October 30, 2010	15.00	Allotment

Except for allotments pursuant to the Composite Scheme of Arrangement, none of the allotments

mentioned above are to members of the Promoter Group. In addition to the above, the proposed Preferential Allotment to AML may also be at a price lower than the 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. At least 50% of the Net Issue shall be Allotted 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. If at least 50% of the Net Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill over from any other category at the discretion of our Company, in consultation with the GCBRLMs and the BRLMs. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue at the discretion of our Company, in consultation with the GCBRLMs and the BRLMs.
14. A total of up to [●] Equity Shares aggregating to ₹ 100 million, have been reserved for allocation to Eligible Employees, subject to valid Bids being received at or above the Issue Price and subject to the maximum Bid Amount in this portion being ₹ 200,000. A discount of ₹ [●] to the Issue Price, which is up to 10% of the Issue Price, determined pursuant to completion of the Book Building Process may be offered to Eligible Employees. Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion. Eligible Employees may Bid in the Net Issue as well and such Bids shall not treated as multiple Bids.
15. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
16. An oversubscription to the extent of 10% of the Net Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.
17. There are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares after the Issue.
18. Except for the allotments pursuant to the Preferential Allotment and the Pre-IPO Placement, if any, 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 submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed.
19. Our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or issue of bonus or rights or further public issue of specified securities, qualified institutions placement or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our 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.
20. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
21. Our Company has 17 members as of the date of this Draft Red Herring Prospectus.

- 22. Our Company has not issued any Equity Shares out of revaluation reserves.
- 23. All Equity Shares will be fully paid-up at the time of Allotment failing which no Allotment shall be made.
- 24. There have been no financial arrangements whereby the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

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

1. Funding equity contribution in our Joint Venture, Corporate Power Limited, to part-finance the construction and development cost of the Chandwa Power Project, which is proposed to be a coal-fired power plant with an aggregate capacity of 1,080 MW, at Latehar, Jharkhand; and
2. Funding equity contribution in our Subsidiary, Jas Infrastructure and Power Limited, to part-finance the construction and development cost of the Banka Power Project, which is proposed to be a coal-fired power plant with an aggregate capacity of 1,320 MW, at Banka, Bihar.
3. General corporate purposes.

The main objects clause of our Memorandum of Association enables us to undertake our existing activities and the activities for which the funds are being raised by us through this Issue. Further, we confirm that the activities we have been carrying out until now are in accordance with the objects clause of our Memorandum of Association.

The details of the Net Proceeds are summarized in the table below:

(In ₹ million)

	Amount
Proceeds from the Issue	13,750.00
Issue related expenses ⁽¹⁾	[●]
Net Proceeds from the Issue⁽¹⁾	[●]

⁽¹⁾ To be finalised upon determination of the Issue Price.

Means of Finance

The following table sets forth the total expenditure expected to be incurred on our projects, amount proposed to be financed from Net Proceeds, and other means of financing:

(In ₹ million)

Project	Total estimated expenditure	Amount proposed to be financed from Net Proceeds	Balance amount	Amount financed / proposed to be financed from		Amount deployed as on May 1, 2011		
				Equity other than current Issue including JV partner equity/Internal Accruals ⁽³⁾	Third party debt	Total ⁽⁴⁾	From equity ⁽⁴⁾	From debt ⁽⁴⁾
Chandwa Power Project	60,820.00	4,024.93	56,795.07	11,175.07 ⁽¹⁾	45,620.00	21,038.90 ^(5a)	4,938.70 ^(6a)	16,100.20 ^(7a)
Banka Power Project	74,000.00	8,475.07	65,524.93	6,324.93 ⁽²⁾	59,200.00	10,601.93 ^(5b)	3,366.10 ^(6b)	7,235.83 ^(7b)
Total (A)	134,820.00	12,500.00	122,320.00	17,500.00	104,820.00	31,640.83	8,304.80	23,336.03
General corporate purposes (B)	-	[●]	-	-	-	-	-	-
Total (A + B)	134,820.00	[●]	122,320.00	17,500.00	104,820.00	31,640.83	8,304.80	23,336.03

⁽¹⁾ In terms of the shareholders agreement dated November 19, 2009, as amended by an amendatory shareholders agreement dated September 24, 2010, Corporate Ispat and AINL (now our Company, in terms of the Composite Scheme of Arrangement) have agreed to contribute to the equity share capital of CPL going forward, to the extent of ₹ 23,150.00 million, in the ratio of 51:49, for the implementation of a 1,740 MW project at Chandwa, Latehar in Jharkhand, including the Chandwa Power Project of 1,080 MW. For details, please see “Description of Certain Key Contracts” on page 151. In terms of the shareholders agreement Corporate Ispat will contribute ₹ 11,810.00 million and our Company will

contribute ₹ 11,340.00 million towards setting up the 1,740 MW power plant. In terms of letter dated November 4, 2010 from CPL to our Company and Corporate Ispat, Corporate Ispat will contribute ₹ 7,752.00 million and our Company will contribute ₹ 7,448.00 million as equity towards the Chandwa Power Project. Of this total contribution, a portion has already been contributed.

⁽²⁾ In terms of the shareholders agreement dated October 29, 2010 between our Company and Asera Banka Power Private Limited (“ABPPL”) in relation to JIPL for setting up 2,640 MW, our Company and ABPPL have agreed to contribute to the paid up share capital of JIPL, to the extent of ₹ 28,850.00 million and ₹ 1,150.00 million respectively, aggregating to ₹ 30,000.00 million, with stipulation that any additional equity over and above of ₹ 30,000.00 million to be contributed by our Company. Further, vide letter dated November 4, 2010 from JIPL to our Company and ABPPL, ABPPL will contribute equity of ₹ 1,150.00 million and our Company will contribute ₹ 13,650.00 million towards Banka Power Project. Of this total contribution, a portion has already been contributed.

⁽³⁾ The aforesaid amount comprises of internal accruals and the following:

- (i) ₹ 6,371.77 million, as equity contribution from our Company to be infused in CPL and JIPL towards setting up of the Chandwa Power Project and Banka Power Project (of which an amount of ₹ 5,241.48 million has already been infused by our Company, ₹ 0.29 million by our Promoter, Manoj Jayaswal and his relatives, and ₹ 1,130 million will be infused before filing the Red Herring Prospectus with the RoC, upon to subscription of Equity Shares in our Company by Abhijeet Mining Limited, our Promoter, pursuant to the Preferential Allotment. For details of the Preferential Allotment, please see “Capital Structure” on page 70. Of the equity of ₹ 5,241.77 million already infused by our Company and our Promoter, Manoj Jayaswal and his relatives, ₹ 1,963.09 million is towards Chandwa Power Project and ₹ 3,278.68 million is towards Banka Power Project. Further, the proceeds of the Preferential Allotment, of ₹ 1,130.00 million would be infused as equity contribution for the Banka Power Project.
- (ii) ₹ 7,752.00 million as equity contribution from Corporate Ispat, our joint venture partner in CPL, which is implementing the Chandwa Power Project (of which ₹ 2,975.61 million has already been infused in and ₹ 4,776.39 million is to be infused);
- (iii) ₹ 1,150.00 million as equity contribution from ABPPL, shareholder of JIPL, which is implementing the Banka Power Project (of which ₹ 80.00 million has already been infused by ABPPL, ₹ 7.42 million has been infused by the ABPPL’s promoter group members and ₹ 1,062.58 million is to be infused by ABPPL).

⁽⁴⁾ As certified by Chaturvedi Sohan & Co., Chartered Accountants vide their certificates dated May 28, 2011.

^{5(a)} Includes cash and bank balance and investments aggregating to ₹ 345.04 million.

^{5(b)} Includes cash and bank balance and investments aggregating to ₹ 152.63 million.

^(6a) Comprises of equity contribution by Corporate Ispat, our joint venture partner in CPL, to the extent of ₹ 2,975.61 million (comprising of ₹ 1,076.61 million by way of equity capital and ₹ 1,899.00 million by way of equity share application money), by our Company to the extent of ₹ 1,963.07 million (comprising of ₹ 1,923.07 million by way of equity share capital and ₹ 40.00 million by way of share application money) and by our Promoter, Manoj Jayaswal and his relatives to the extent of ₹ 0.02 million by way of equity capital.

^(6b) Comprises of equity contribution by our Company to the extent of ₹ 3278.41 million (comprising of ₹ 9.18 million by way of equity share capital, ₹ 22.89 million by way of share premium and ₹ 3,246.34 million by way of share application money), by ABPPL to the extent of ₹ 80.00 million by way of equity share application money, by our Promoter, Manoj Jayaswal and his family members to the extent of ₹ 0.27 million by way of equity capital and by other shareholders to the extent of ₹ 7.42 million (comprising of ₹ 1.46 million by way of equity share capital and ₹ 5.96 million by way of share premium).

^(7a) Includes ₹ 175.95 million of net current liabilities. Further, the aforesaid amount includes a loan of ₹ 1,500.00 million availed by our Company from SREI Infrastructure Finance Limited, which amount has been advanced to CPL, and is intended to be repaid to our Company by CPL from the equity to be infused by Corporate Ispat in CPL, subject to such consents as may be required.

^(7b) Includes ₹ 164.35 million of net current liabilities.

The fund requirements mentioned above are based on our current business plan. We may have to revise the estimated costs and fund requirements owing to factors such as geological assessments, exchange or interest rate fluctuations, changes in design and configuration of the projects, increase in input costs of steel and cement, other construction materials and labour costs, incremental rehabilitation, other pre-operative expenses and other external factors which may not be in our control. This may include rescheduling of our capital expenditure programs or changes in the capital expenditure for a particular purpose vis-à-vis current plans at the discretion of our management. There may also be requirements that may arise on account of new acquisitions, mergers and winning of various projects that we have either bid for or are in the process of bidding. In case of any increase in the actual utilisation of funds earmarked for the above activities or actual Net Proceeds from this Issue being lower than contemplated, such shortage will be met from a combination of internal accruals, additional equity infusion or debt drawdown. In case of surplus funds either due to lower utilization than what is stated above or surplus Issue proceeds after meeting all the above mentioned objects, the same shall be utilised towards general corporate purpose. Please see “Risk Factors” on page 13.

Except for AMNEPL, none of our Subsidiaries or Joint Ventures has any stated dividend policy, and our Company cannot be assured of any dividends from any of our Subsidiaries or Joint Ventures, including in respect of our equity infusion from the Net Proceeds. Our Company will remain interested in the Subsidiaries and Joint Ventures to the extent of its shareholding and beneficial ownership, and will derive benefits to the extent of its shareholding and beneficial ownership in the Subsidiaries and Joint Ventures. The shareholders agreement dated April 2, 2009 between MADC, Abhijeet Infrastructure Limited, our Company and AMNEPL stipulates a dividend policy for AMNEPL. For details, please see “Description of Certain Key Contracts” on page 151.

Funding Arrangement

The total funds required for the objects of the Issue are ₹ 134,820.00 million. 75% of the total funds required, excluding funds to be raised through the Issue have been arranged as follows:

(In ₹million)

Funds required for Objects of the Issue	134,820.00
Funding through IPO	12,500.00
Funds required excluding the Issue	122,320.00
75% of the above	91,740.00
Arrangements	
Funded through existing equity	8,304.80 ⁽¹⁾
Funded through third party debt	
<i>Loan Agreements</i>	33,050.00
<i>Sanction letters (Underwritten arrangements)</i>	71,770.00 ⁽²⁾
Total Debt	104,820.00 ⁽²⁾
Grand Total	113, 124.18

⁽¹⁾ The aforesaid amount includes share application money. For details, see “Means of Finance” above on page 81.

⁽²⁾ For the balance two units of the Chandwa Power Project, of the total debt requirement of ₹ 23,870.00 million, while we have entered into definitive loan agreements for debt of ₹ 11,300.00 million, an amount of ₹ 12,570.00 million has been underwritten by SBI. SBI’s underwriting commitment is subject to extension after June 30, 2011. For details, see “Underwriting Arrangements” below.

For the Banka Power Project, we have received sanction letters / underwriting arrangements for an amount of ₹ 74,000.00 million from Axis Bank, Punjab National Bank and UCO Bank. However, the debt component for the Banka Power Project is ₹ 59,200.00 million as per the funding plan for the said project, and debt would be availed only to the extent of ₹ 59,200.00 million in this regard. The aforesaid amounts have been calculated assuming sanction letters for Banka Power Project being restricted to ₹ 59,200.00 million. Of this amount, firm arrangements have been made for a letter of credit facility of ₹ 29,600 million (with a bank guarantee sub-limit of ₹ 5,000 million) and for a short term loan with Punjab National Bank of ₹ 3,000 million. For details, see “Details of funding through third party debt” below. JIPL has also received certain non-underwritten sanction letters. For details, please see “Financial Indebtedness” on page 381.

Details of funding through third party debt

Following are the details of loans/sanction letters (underwritten arrangements) from banks and financial institutions availed in respect of the Chandwa Power Project and the Banka Power Project:

(In ₹million)

Sr. No.	Name of the Bank / Financial Institution	Project	Total sanctioned amount (includes senior debt and subordinate debt, where applicable)
1.	Rural Electrification Corporation Limited and Consortium (loan agreement dated December 5 2009)	Chandwa Power Project	21,750.00
2.	(i) State Bank of India (loan agreement dated March 28, 2011), as amended.	Chandwa Power Project	6,000.00
	(ii) Life Insurance Corporation of India (Novation deed dated May 13, 2011)		1,500.00
	(iii) Punjab National Bank (Novation deed dated May 13, 2011)		2,000.00

Sr. No.	Name of the Bank / Financial Institution	Project	Total sanctioned amount (includes senior debt and subordinate debt, where applicable)
	(iv) State Bank of Bikaner and Jaipur (Novation deed dated May 13, 2011)		600.00
	(v) State Bank of Patiala (Novation deed dated May 13, 2011)		600.00
	(vi) State Bank of Travancore (Novation deed dated May 13, 2011)		600.00
	(vii) State Bank of India (Underwriting Agreement dated May 13, 2011) ⁽¹⁾		12,570.00
3.	(i) Axis Bank Limited (sanction letter dated July 19, 2010) ⁽²⁾ and ⁽³⁾	Banka Power Project	44,400.00
	(ii) UCO Bank (sanction letter dated September 14, 2010) ⁽²⁾		14,800.00
	(iii) Punjab National Bank (sanction letter dated September 29, 2010) ⁽²⁾ and ⁽⁴⁾		14,800.00
	Sub-total ⁽⁵⁾		74,000.00
	Debt for Banka Power Project restricted to ⁽⁵⁾		59,200.00
	Total		104,820.00

⁽¹⁾ In terms of the underwriting agreement, dated May 13, 2011 for the balance two units of the Chandwa Power Project, SBI has sanctioned an amount of ₹ 6,000.00 million and underwritten the balance debt component of ₹ 17,870.00 million. Of this amount, underwriting commitment of ₹ 12,570.00 million is outstanding as on date of this Draft Red Herring Prospectus. SBI's underwriting commitment is subject to extension after June 30, 2011. For details, see "Underwriting Arrangements" below. For details, please see "Financial Indebtedness" on page 381.

⁽²⁾ The total sanctioned amounts have been underwritten by the respective lenders. UCO Bank's sanction letter states that the final hold position (final exposure on successful syndication) is proposed at ₹ 2,500.00 million comprising of senior debt of ₹ 2,350.00 million and subordinate debt of ₹ 150.00 million. Punjab National Bank's sanction letter states that the final hold position (final exposure on successful syndication) is proposed to be ₹ 5,000.00 million, comprising of senior debt of ₹ 4,670.00 million and sub debt of ₹ 330.00 million. JIPL has also received certain non-underwritten sanction letters. For details, please see "Financial Indebtedness" on page 381.

⁽³⁾ Of this amount, firm arrangements have been made for a letter of credit facility of ₹ 29,600 million (with a bank guarantee sub-limit of ₹ 5,000 million).

⁽⁴⁾ Of this amount, agreements have been executed for a short term loan of ₹ 3,000 million

⁽⁵⁾ The sanctions/underwriting commitments from Axis Bank Limited, UCO Bank and Punjab National Bank for the Banka Power Project aggregate to ₹ 74,000.00 million. However, the debt component for the Banka Power Project is ₹ 59,200.00 million as per the funding plan for the said project, and debt would be availed only to the extent of ₹ 59,200.00 million in this regard.

Loan Agreements

For further details of the loan agreements, please see "Financial Indebtedness" on page 381.

Underwriting Arrangements

For the latter two units of the Chandwa Power Project, SBI has underwritten the balance debt component of ₹ 12,570.00 million, pursuant to the underwriting agreement dated May 13, 2011 (as per the details mentioned above). The underwriting agreement sets out certain terms and conditions relating to the underwriting commitment,

including conditions under which the said commitment would cease to be valid. For details, please see “Financial Indebtedness” on page 381.

Our Company has received three sanction letters for the Banka Power Project (as per details mentioned above) from lenders to underwrite term loans. These sanction letters indicate the terms and conditions for underwriting and arranging such facilities. The letters provide for the percentage of the total envisaged equity contribution that has to be brought up front for the projects and an undertaking from the promoters for the balance to be brought in later as per the project requirements.

These letters also provide for the security stipulations including security by way of first priority charges, assignment of project contracts, first charge of the project’s various bank accounts etc., and certain undertakings by our Company as the promoter, including funding of shortfall and retaining management control. The underwriting stipulations by the lenders are subject to conditions, including pre-disbursement conditions, and, in one instance (PNB’s sanction for the Banka Power Project), procedural pre-commitment conditions (for which PNB has confirmed compliance by its letter of March 17, 2011). The letters also provide for negative covenants (requiring prior lender consents) such as the restrictions on undertaking any new projects and making any material modifications to the project contracts and agreements or substantial changes to technical or financial aspects of the project, changes to board of directors, changes to shareholding pattern, raising further debt, changes to financing plan or capital structure, amendments to constitutional documents and certain financial covenants, and for certain financial covenants. SBI’s underwriting commitment stands terminated if certain conditions as specified in the common loan agreement are not complied by June 30, 2011 except where such compliance is waived by SBI in writing. CPL has applied to SBI for an extension for compliance with certain of these conditions by July 31, 2011 for which it is yet to receive a response. For details, please see “Financial Indebtedness” on page 381.

The final documentation will contain customary clauses including representations and warranties, covenants (positive and negative), information covenants, undertakings, termination events, market disruptions, among others.

Cost of the Projects

The breakdown of construction and development of the Chandwa Power Project and the Banka Power Project is as follows:

(In ₹million)

Particulars (See Note below)	Projects		
	Chandwa Power Project	Banka Power Project	Total
Land and site development	1,148.00	1,080.00	2,228.00
Building, civil work, engineering, procurement, and construction cost ⁽¹⁾	44,170.00	55,130.00	9,9300.00
Power evacuation	1,915.00	1,500.00	3,415.00
Coal Transportation	900.00	1,750.00	2650.00
Water arrangement	2,155.00	1,800.00	3,955.00
Preliminary and pre-operative expenses including interest during construction	8,718.00	10,300.00	19,018.00
Contingencies	1,298.00	1,190.00	2,488.00
Margin money for working capital	516.00	1,250.00	1,766.00
Total cost	60,820.00	74,000.00	134,820.00

Note: The presentation will differ from the presentation in the (i) Information Memorandum dated January 2009 for the Chandwa Power Project and the letter from the lenders independent engineer dated October 20, 2010; (ii) Information Memorandum dated September 2010 for the Chandwa Power Project; and (iii) Project Appraisal Memorandum dated October 2010 for the Banka Power Project. For maintaining uniformity in presentation of project cost, the break up of the project cost under various heads in the above mentioned documents has been re-classified.

⁽¹⁾ Includes cost of constructing ash dyke, township and taxes and duties.

Schedule of Implementation

1. Implementation schedule of the Chandwa Power Project of 1,080 MW:

Sr. No.	Particulars	Estimated date of Completion / Status
1.	Land and site development	March 2012
2.	Technical and engineering work	June 2012
3.	Civil work	October 2012
4.	Installation of equipment	September 2013
5.	Transmission line	July 2012 and October 2013
6.	Trial run	November 2013
7.	Last unit commissioning	April 2014

2. Implementation schedule of the Banka Power Project of 1,320 MW:

Sr. No.	Particulars	Estimated date of Completion / Status
1.	Land and site development	January 2012
2.	Technical and engineering work	October 2012
3.	Civil work	April 2013
4.	Installation of equipment	November 2013
5.	Transmission line	December 2013
6.	Trial run	January 2014
7.	Last unit commissioning	October 2014

Investment Schedule

The details of the estimated investments schedule as set out below is based on the project cost estimated by CPL and JIPL respectively:

(In ₹ million)

Particulars	Projects		
	Chandwa Power Project	Banka Power Project	Total
Estimated project cost	60,820.00	74,000.00	134,820.00
Investment schedule			
Already deployed up to May 1, 2011	21,038.90	10,601.93	31,640.83
From May 2, 2011 to March 31, 2012	9,780.10	21,228.07	31,008.17
FY 2012 – 2013	20,757.00	22,220.00	42,977.00
FY 2013 – 2014	9,244.00	17,040.00	26,284.00
FY 2014 – 2015	0.00	2,910.00	2,910.00
Total	60,820.00	74,000.00	134,820.00

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

(In ₹ million)

Particulars	Projects		
	Chandwa Power Project	Banka Power Project	Total
FY 2011 – 2012	589.62	1,021.00	1,610.62
FY 2012 – 2013	3,046.54	516.50	3,563.04
FY 2013 – 2014	388.77	4,989.00	5,377.77
FY 2014 – 2015	0.00	1,948.57	1,948.57
Total	4,024.93	8,475.07	12,500.00

Details of the Projects

1. Chandwa Power Project

The details of the estimated costs as set out below is based on the project cost estimated by SBI Capital Markets Limited in their information memorandum dated January 2009 (for first two units aggregating to 540 MW) and September 2010 (for the latter two units aggregating to 540 MW). For details of certain amendments to components of project cost, see note below. The information memoranda dated January 2009 and September 2010 were prepared to approach lenders to avail debt financing for the Chandwa Power Project.

<i>(In ₹ million)</i>	
Particulars	Amount
Land and site development	1,148.00
Building, civil works, engineering, procurement, and construction cost ⁽¹⁾	44,170.00
Coal Transportation	900.00
Power evacuation	1,915.00
Water arrangement	2,155.00
Preliminary and pre-operative expenses including interest during construction	8,718.00
Contingencies	1,298.00
Margin money for working capital	516.00
Total cost	60,820.00

(1) Includes cost of constructing township and taxes and duties.

Note:

Of the above total cost of ₹ 60,820.00 million, ₹ 29,000.00 million is the estimated cost of setting of the first two generating units of 270 MW each aggregating to 540 MW (as per the information memorandum dated January 2009) and ₹ 31,820.00 million is the estimated cost for setting up the latter two generating units of 270 MW each aggregating to 540 MW (as per the information memorandum dated September 2010).

While the total estimated cost of ₹ 29,000.00 million for setting up the first two units of 270 MW each remains constant, certain cost component have undergone variations. Initially, the project was to comprise of four units of 135 MW each, which was subsequently revised to two units of 270 MW each. Certain other project parameters underwent changes from those contained in the information memorandum of SBI Capital Markets Limited dated January 2009 including reduction in land area required for the same from 894.14 acres to 448 acres. The aforesaid variations have been confirmed by a letter dated October 20, 2010 issued by Lahmeyer International (India) Private Limited, who is the LE (lenders independent engineer). The aforesaid letter also confirms that the total cost remains at ₹ 29,000.00 million, and sets out the changes in cost components in this regard. The details as stated above reflect the revised cost components as contained in the aforesaid letter dated October 20, 2010.

Land and site development:

For the Chandwa Power Project, we require approximately 768 acres of land, of which approximately 460 acres have been acquired. The total cost of the land and site development is estimated at ₹ 1,148.00 million, which comprises of ₹ 388.00 million for setting up the first two units and ₹ 760.00 million for the latter two units.

Building, civil works, engineering, procurement and construction cost

This head includes cost of building, total civil works and cost of plant and machinery including taxes & duties, cost of constructing ash dyke and township. The total estimated cost under this head is ₹ 44,170.00

million, which includes ₹ 21,500.00 million for setting up of the first two units and ₹ 22,670.00 million for the latter two units. This includes the cost of ₹ 120.00 million for constructing the colony and ₹ 2,680.00 million of taxes and duties.

Primarily, the plant and machinery for the project includes the cost towards EPC which includes cost towards BTG and balance of plant cost such as civil works related to mechanical works, construction power, switchyard inside the power plant, ash dyke and admin building. The above cost also includes expenses towards infrastructure for transportation of coal to the power plant.

The EPC contracts, being the contracts in relation to supply, erection and commissioning and civil and structural works in relation to the Chandwa Power Project, for a contract price aggregating to ₹ 42,360.00 million, had been awarded to AINL, and are currently being implemented by Abhijeet Projects Limited, our Group Company, pursuant to the demerger as contained in the Composite Scheme of Arrangement. For details regarding the Composite Scheme of Arrangement, see “Composite Scheme of Arrangement” on page 221, and for details regarding the aforesaid contracts, see “Our Business” on page 125 and “Description of Certain Key Contracts” on page 151.

Power evacuation

The power project will be connected to the PGCIL substation at Namkum Grid, which is located at a distance of approximately 108 kilometres from the power project, and construction of the transmission line for such purpose is under development and is expected to be completed by July 2012. On February 24, 2010 and January 4, 2011, we entered into a long term open access agreements for evacuation of up to 480 MW each power evacuation through a 400 kV transmission line with PGCIL. The total estimated cost towards power evacuation is ₹ 1,915.00 million, which includes ₹ 965.00 million for setting up of the evacuation facilities for the first two units and ₹ 950.00 million for the latter two units.

Coal Transportation

The total cost of building the railway siding for coal transportation is estimated at ₹ 900.00 million.

Water arrangement

The cost for the water arrangement for this project is estimated at ₹ 2,155.00 million, which comprises ₹ 1,255.00 million for setting up of water supply facilities for the first two units and ₹ 900.00 million for the latter two units. However, this cost does not include cost of land for the water reservoir, cost of land or right of way/right of use for the pipelines and its service roads, which costs are included in the cost of land for the project.

Preliminary and pre-operative expenses including interest during construction

Preliminary and preoperative expenses include fees to paid to owners legal counsel, owners engineer, lenders independent engineer, lenders legal counsel and lenders insurance advisor, start up expenses, travelling costs, administrative costs, salaries and wages and other miscellaneous expenses. Financing charges include lenders upfront fees, lenders agents fees, security agent fees, syndication fees, insurance cost, among others. The total cost towards preliminary and pre-operative expenses is estimated to be ₹ 8,718.00 million, which comprises ₹ 3,968.00 million for setting up the first two units and ₹ 4,750.00 million for the latter two units.

Contingency

Provision for contingency has been provided at about 2.13% of total estimated cost.

Margin money for working capital

Provision for margin money for working capital has been made at ₹ 516.00 million, which comprises ₹ 196.00 million for the first two units and ₹ 320.00 million for the latter two units.

2. Banka Power Project

The details of the estimated costs as set out below is based on the project cost estimated in the project appraisal memorandum dated October 2010 prepared by Axis Bank Limited, Punjab National Bank and UCO Bank in their capacity as mandated lead arrangers. The project appraisal memorandum dated October 2010 was prepared to approach lenders to avail debt financing for the Banka Power Project.

<i>(In ₹ million)</i>	
Particulars	Amount
Land and site development	1,080.00
Building, civil work, engineering, procurement, and construction cost ⁽¹⁾	55,130.00
Power evacuation	1,500.00
Coal Transportation	1,750.00
Water arrangement	1,800.00
Preliminary and pre-operative expenses including interest during construction	10,300.00
Contingencies	1,190.00
Margin money for working capital	1,250.00
Total cost	74,000.00

⁽¹⁾ Includes cost of constructing ash dyke, township and taxes & duties.

Land and site development

For the Banka Power Project, we require approximately 785.5 acres of land, of which approximately 460 acres have been acquired. The cost for acquiring the total land and site development is estimated at ₹ 1,080.00 million.

Building, civil works, engineering, procurement and construction cost

This head includes cost of building, total civil works and cost of plant and machinery for this project. The total estimated cost under this head is ₹ 55,130.00 million. This includes the cost of ₹ 800.00 million for constructing the ash dyke, ₹ 750.00 million for constructing the colony and ₹ 1,810 million of taxes and duties.

Primarily, the plant and machinery for the project includes the cost towards EPC which includes cost towards BTG and balance of plant cost which includes transportation of equipment, switch yard, complete electrics, instrumentation, construction of chimneys, cooling water system, cooling towers, coal handling system, ash handling system, plant water system and other accessories necessary to complete the plant, township and main plant building etc. This also includes the cost of ash dyke and expenses towards infrastructure for transportation of coal to the power plant.

The EPC contracts, being the contracts in relation to supply, erection and commissioning and civil and structural works in relation to the Banka Power Project, for a contract price aggregating to ₹ 38,988 million and USD 405.04 million, had been awarded to Abhijeet Projects Limited, our Group Company.

Power evacuation

The transmission line is proposed to be constructed from the power plant to sub station at Banka which is at a distance of about 25 kilometres from the plant. The cost for transmission line is estimated at ₹ 1,500.00 million.

Coal Transportation

The total cost of building the railway siding for coal transportation is estimated at ₹ 1,750.00 million.

Water arrangement

The cost of water arrangements is estimated at ₹ 1,800.00 million, which includes the cost of transferring water from the Chandan dam to the project site.

Preliminary and pre-operative expenses including interest during construction

Preliminary and preoperative expenses include construction power, O&M mobilisation and training; power, water and consumables during construction; preliminary investigation and consultancy, engineering consultancy, boundary wall, fees of lenders advisors, and balance towards financing charges, interest during construction and miscellaneous expenses. Total estimated expenditure is ₹ 10,300.00 million.

Contingencies

Provision for contingency has been provided at about 1.61% of total estimated cost.

Margin money for working capital

Provision for margin money for working capital has been made at ₹ 1,250.00 million & estimated at 25% of total working capital requirement for the first year of full operations.

Government and Environmental Clearances

We have obtained certain of the required government and environmental clearances for the Projects. We are in the process of the obtaining the balance or we may apply for the same based on the stage of development. For more details, see “Government and Other Approvals” on page 442.

For further details, status and schedule of implementation of the Projects, please see “Our Business” on page 125.

General Corporate Purposes

We intend to deploy the balance Net Proceeds aggregating ₹ [●] million for General Corporate Purposes, including but not restricted to, meeting working capital requirements, initial development costs for projects other than the projects specified above, fund project cost overruns (if any), strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies, which our Company in the ordinary course of business may face, or any other purposes as approved by our Board.

Issue Expenses

The estimated issue related expenses are as follows:

(In ₹ million)

Particulars	Amounts ⁽¹⁾	As a percentage of total expenses	As a percentage of Issue Size
Lead management fee, underwriting and selling commission	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery	[●]	[●]	[●]
Others (including legal fees, listing fee, Registrar's fee)	[●]	[●]	[●]
Total	[●]	[●]	[●]

⁽¹⁾ Will be incorporated after finalisation of Issue Price

Bridge Loan

We have currently not raised any bridge loans against the Net Proceeds of the Issue. However, depending on business requirements, we might consider raising bridge financing facilities, prior to the filing of the Red Herring Prospectus.

Interim Use of Net Proceeds

Our management, in accordance with the policies established by the Board, will have flexibility in deploying the Net Proceeds received by us from the Issue. Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Issue in interest bearing liquid instruments including deposits with banks and investments in mutual funds and financial products.

Monitoring of Utilisation of Funds

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

Pursuant to clause 49 of the Listing Agreement, our Company shall, on a quarterly basis, disclose to its Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our 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 our Company. In addition, the report submitted by the monitoring agency will be placed before the Audit Committee of our Company, so as to enable the Audit Committee to make appropriate recommendations to the Board of Directors of our Company. Furthermore, in accordance with clause 43A of the Listing Agreement, our 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.

Our Company shall be required to inform material deviations in the utilisation of Issue proceeds to the stock exchanges. Further, our Company shall also be required to simultaneously make the material deviations/adverse comments of the Audit committee/Monitoring Agency regarding end use of funds public through advertisement in newspapers.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoters, our Directors, Promoter group companies or key managerial employees, except in the normal course of our business. However, to the extent that the contracts for supply of equipment, installation and commissioning of plant and equipment for the power projects have been awarded to Abhijeet Projects Limited (our Group Company) by CPL for the Chandwa Power Project and by JIPL for the Banka Power Project, payments from the Issue Proceeds may be made to Abhijeet Projects Limited. In accordance with SEBI Regulations, the contracts entered into with Abhijeet Projects Limited for the Chandwa Power Project and the Banka Power Project have been included in the material contracts for inspection. For details of these contracts including the contract values, see disclosures under “Chandwa Power Project” and “Banka Power Project” above.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the GCBRLMs and the BRLMs on the basis of the assessment of market demand for the Equity Shares through the book building process, on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is ₹ 10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should read the above mentioned information along with the sections titled “Risk Factors”, “Our Business” and “Financial Statements” on pages 13, 125 and 290 respectively, to have a more informed view.

Qualitative Factors

We are a power project development company in India. We believe the following are our strengths:

1. Secured fuel supply for our projects;
2. Off-take arrangement for a portion of capacity under development
3. Locational advantages of our power projects;
4. Experienced and qualified management team; and
5. Ability to leverage our association with the Abhijeet Group.

Quantitative Factors

The information presented below is based on the restated unconsolidated summary statements of our Company and the restated consolidated summary statements of our Company prepared in accordance with Indian GAAP.

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

1. Earnings Per Share (EPS) (as adjusted for change in capital)

As per our restated unconsolidated summary statements:

Year Ended	Basic EPS (in ₹)	Diluted EPS (in ₹) ¹	Weight
March 31, 2008	3.00	3.00	1
March 31, 2009	64.00	64.00	2
March 31, 2010	1.63	0.19	3
Weighted Average	22.65	21.93	

¹ Adjusted for change in capital.

The basic EPS (in ₹) and the diluted EPS (in ₹) for the nine months period (not annualised) ended December 31, 2010 are 0.0005 and 0.0004 respectively.

As per our restated consolidated summary statements:

Year Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2010	1.63	0.19	1

The basic EPS (in ₹) and the diluted EPS (in ₹) for the nine months period (not annualised) ended December 31, 2010 are 0.02 and 0.01 respectively.

Note: Earnings per share calculations are in accordance with Accounting Standards 20 – “Earnings per share” issued by the ICAI.

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

Sr. No.	Particulars	
1.	P/E based on basic and diluted EPS for the year ended March 31, 2010 at the lower end of the Price Band ¹	[●]
2.	P/E based on basic and diluted EPS for the year ended March 31, 2010 at the higher end of the Price Band ¹	[●]
3.	Industry P/E ²	
	Highest	135.3x
	Lowest	12.9x
	Average	45.9x

¹ P/E for the Company based on restated consolidated summary statements for the year ended March 31, 2010

² Note: The industry high and low has been considered from the industry peer set provided below. The industry composite has been calculated as the arithmetic average P/E of the industry peer set provided below. For further details see "Comparison with industry peers" below

3. Return on Net Worth (RoNW)

As per restated unconsolidated financial statements:

Particulars	RoNW %	Weight
Year ended March 31, 2008	16.67	1
Year ended March 31, 2009	78.05	2
Year ended March 31, 2010	0.005	3
Weighted Average	28.80	

As per restated consolidated financial statements:

Particulars	RoNW %	Weight
Year ended March 31, 2010	0.01	1
Weighted Average	0.01	
Nine Months period ended December 31, 2010*	0.13	

* Not annualised

Note: The return on net worth has been computed by dividing profit after tax by net worth at the end of the year/period.

4. Minimum RoNW after the Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2010:

To maintain pre-Issue basic EPS

- i. Based on restated unconsolidated financial statements:
 1. At the Floor Price - [●]%
 2. At the Cap Price - [●]%
- ii. Based on restated consolidated financial statements:
 1. At the Floor Price - [●]%
 2. At the Cap Price - [●]%

To maintain pre-Issue diluted EPS

- i. Based on restated unconsolidated financial statements:
 1. At the Floor Price - [●]%
 2. At the Cap Price - [●]%
- ii. Based on restated consolidated financial statements:
 1. At the Floor Price - [●]%

2. At the Cap Price - [●]%

5. Net Asset Value per Equity Share of face value of ₹ 10 each

- (i) Net asset value per Equity Share as on December 31, 2010 as per restated unconsolidated financial statements is ₹ 11.48
- (ii) Net asset value per Equity Share as on December 31, 2010 as per restated consolidated financial statements is ₹ 11.71
- (iii) After the Issue as per restated unconsolidated financial statements:
 - a. At the Floor Price: ₹ [●]
 - b. At the Cap Price: ₹ [●]
- (iv) After the Issue as per restated consolidated financial statements:
 - a. At the Floor Price: ₹ [●]
 - b. At the Cap Price: ₹ [●]
- (v) Issue Price: ₹ [●]

Issue Price per Equity Share will be determined on conclusion of Book Building Process.

NAV per Equity Share has been calculated as networth as divided by the closing number of shares at the date of the balance sheet.

6. Comparison with Industry Peers

For the year ended March 31, 2010	Net Sales	Networth (Shareholders' Funds)	NAV (Book Value / Share)	EPS		P/E Ratio (on the basis of shares outstanding as on March 31, 2010)	Return on equity
	₹ million	₹ million	₹ per share	Basic	Diluted		
			₹ per share	₹ per share	₹ per share		
Adani Power Limited	4,349	58,803	26.97	0.82	0.82	135.3x	4.13%
Indiabulls Power Limited.	-	38,901	19.25	0.21	0.21	82.9x	1.22%
JSW Energy Limited	23,551	47,954	29.24	5.17	5.17	12.9x	23.70%
KSK Energy Ventures Limited	4,534	28,567	76.66	4.92	4.92	22.7x	7.64%
Reliance Power Limited	207	144,630	60.34	2.85	2.85	39.5x	4.84%
Tata Power Limited	127,940	126,101	531.38	85.01	82.21	15.0x	19.29%
Torrent Power Limited	58,253	39,854	84.36	17.72	17.72	13.1x	23.15%

Notes:

1. Above information is based on consolidated financials as of and for the year ended March 31, 2010
2. Net Sales = Total of operating revenues as appearing in their consolidated Profit & Loss Account as per their accounting policies.

3. Shareholders' funds = Share capital + reserves & surplus + minority interest
4. NAV (book value per share) = Total shareholders' funds divided by number of shares outstanding as on March 31, 2010
5. Ratio of the closing price as on June 24, 2011 on NSE and basic earnings per share before extraordinary items for the year ended March 31, 2010.
6. Return on equity is calculated as profit after tax divided by average of shareholders' funds. Average of shareholders' funds is the average of the beginning balance and ending balance of shareholders' funds
7. Net sales for JSW Energy includes income from sale of power, power traded and operator fee
8. Net sales for Tata Power Limited is sum of revenue from power supply and transmission charges, income to be recovered in future tariff determination, revenue from contracts and Income in respect of services rendered
9. Net sales of Torrent Power includes revenue from power supply and net income of services division.

The Issue Price of ₹ [●] has been determined by our Company in consultation with the GCBRLMs and the BRLMs on the basis of the demand from investors for the Equity Shares through the Book Building Process. The GCBRLMs and the BRLMs believe that the Issue Price of ₹ [●] is justified in view of the above qualitative and quantitative parameters. Further, the Company may provide for Eligible Employees to Bid for the Equity Shares at a discount of up to 10% of the Issue Price in order to enable them to become shareholders and par take in the growth of the Company. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "Risk Factors" on page 13 and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

Date: 5th May 2011

To,

The Board of Directors,
Abhijeet Power Ltd.
Insignia Towers, EN 1, Sector – V,
Salt Lake, Kolkata 700 091.
West Bengal, India.

Dear Sirs,

Subject: Statement of Possible Tax Benefits available to Abhijeet Power Ltd. and its Shareholders.

We hereby report that the enclosed annexure states the possible tax benefits that may be available to Abhijeet Power Ltd. (the “Company”) and to the shareholders of the Company under the provisions of the Income Tax Act, 1961 (ITA) and other allied direct and indirect tax laws presently prevailing and in force in India. Several of these benefits are subject to the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws and the interpretations prescribed by the Income Tax authorities. Hence, the ability of the Company or its Shareholders to derive tax benefits is subject to fulfilment of such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed statement are neither exhaustive nor are they conclusive. 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. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his/her/their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been / would be met with, or
- The revenue authorities / courts will concur with the views expressed herein.

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

This report is intended solely for information and for the inclusion in the offer document in connection with the proposed IPO of the Company under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the SEBI ICDR Regulations) and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Chaturvedi Sohan & Co.
Chartered Accountants
(Firm Reg. No. 118424 W)

(Sohan Chaturvedi)
Partner
Membership No. 30760

ANNEXURE: STATEMENT OF TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Statement of special tax benefits:

A. Direct Taxes

1. Two subsidiary companies M/s. Abhijeet MADC Nagpur Energy Pvt. Ltd. (AMNEPL), Jas Infrastructure and Power Ltd. (JIPL) and one Joint Venture (JV) M/s. Corporate Power Ltd., are proposed to be engaged in generation of power and therefore they are eligible for deduction of 100% of the profits and gains from the business of generation of power, under section 80-IA of ITA, for a period of 10 consecutive assessment years in a block of 15 years starting from the year in which the company starts generating power, subject to compliance with conditions specified in Section 80-IA. It may be mentioned that deduction u/s. 80-IA shall be available only in respect of an undertaking which starts generating power on or before March 31, 2012.
2. Since the subsidiaries and the JV will be engaged in the business of generation of power, by virtue of clause (i) of sub-section (1) of Section 32 of the ITA, the subsidiaries have an option to claim depreciation on straight line method on actual cost of the assets instead of written down value method on written down value of block of assets, in respect of the assets acquired on or after 1st April 1997. It may be mentioned here that once the option is exercised, it will apply for all subsequent assessment years.

B. Indirect Taxes

1. The JV, CPL has applied to Ministry of Power (MoP) for status as Mega power project and the other subsidiary JIPL is in the process for applying for attaining the status of a Mega power project.
2. On confirmation from MoP regarding the status as Mega power project the following exemptions, drawbacks and concessions may be available for initial setting up of the Mega power project, subject to the fulfillment of terms and conditions prescribed by the Central Government in this regard, namely:
 - a. Exemption from any duty of excise, under the Central Excise Act, 1944 or the Central Excise Tariff Act, 1985 or any other law for the time being in force, on goods brought for the power projects
 - b. Drawback or such other benefits as may be admissible from time to time on goods brought or for the power projects
 - c. Exemption from any duty of customs, under the Customs Act, 1962 or the Customs Tariff Act, 1975 or any other law for the time being in force, on goods imported into for the power projects
 - d. Any of the following benefits are available to the supplier of the goods (recipient may also apply for refund of Terminal Excise Duty)
 - (a) Advance Authorization / Advance Authorization for annual requirement / Duty Free Import Authorisation; Or
 - (b) Deemed Export Drawback; Or
 - (c) Exemption from terminal excise duty where supplies are made against International Competitive Bidding. In other cases, refund of terminal excise duty

will be given. However in regard to, mega power projects, the requirement of ICB would not be mandatory, if the requisite quantum of power has been tied up through tariff based competitive bidding or if the project has been awarded through tariff based competitive bidding.

For this purpose “Mega Power Project” means –

- a) A Thermal power plant of a capacity of 700 MW or more, located in the states of Jammu and Kashmir, Sikkim, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura, or
 - b) A Thermal power plant of a capacity of 1000 MW or more, located in the states other than those specified in clause (a) above, or
 - c) A Hydal power plant of a capacity of 350 MW or more located in the states of Jammu and Kashmir, Sikkim, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura, or
 - d) A Hydal power plant of a capacity of 500 MW or more, located in the states other than those specified in clause (c) above
3. One of the subsidiaries AMNEPL is in process of installing a 25.6 MW power plant in Mihan Special Economic Zone (SEZ) area. Under Section 26(1) of the Special Economic Zone Act, 2005 the company is entitled to the following exemptions, drawbacks and concessions for initial setting up of the power plant, subject to the fulfillment of terms and conditions prescribed by the Central Government in this regard, namely:
- a. Exemption from any duty of excise, under the Central Excise Act, 1944 or the Central Excise Tariff Act, 1985 or any other law for the time being in force, on goods brought from Domestic Tariff Area to a Special Economic Zone.
 - b. Drawback or such other benefits as may be admissible from time to time on goods brought or services provided from the Domestic Tariff Area into a Special Economic Zone or services provided in a Special Economic Zone by the service providers located outside India.
 - c. Exemption from any duty of customs, under the Customs Act, 1962 or the Customs Tariff Act, 1975 or any other law for the time being in force, on goods imported into, or service provided in a Special Economic Zone.
 - d. Exemption from any duty of customs, under the Customs Act, 1962 or the Customs Tariff Act, 1975 or any other law for the time being in force, on goods exported from, or services provided, from a Special Economic Zone, to any place outside India.
 - e. Exemption from service tax under Chapter-V of the Finance Act, 1994, as amended, on taxable services provided by a Unit, read with and subject to conditions specified by notification no.9/2009-ST dated 3rd March'2009 and notification no. 15/2009-ST dated 20th May 2009. In terms of the said notifications unconditional exemption is available where the services provided in relation to authorized operations are wholly consumed within SEZ. In other cases where services provided in relation to authorized operations are consumed partly or wholly outside SEZ, the exemption is available by way of refund.
 - f. Exemption from the levy of taxes on the sale or purchase of goods other than newspaper under the Central Sales Tax Act, 1956 if such goods are meant to carry on the authorized operations by the co-developer of Special Economic Zone.

4. One of the subsidiary AMNEPL is also availing the tax benefits under the Export Promotion Capital Goods (EPCG) Scheme and following benefits are available to it under EPCG Scheme :-

- Concessions on applicable customs duties on import of capital goods
 - a. Basic customs duty at a reduced rate of 3 percent (Education cess on this would also be payable)
 - b. With respect to additional duty of customs in lieu of excise duty ('CVD') the importer has two options as outlined below:
 - The importer can claim exemption from CVD
 - The importer may pay the CVD in cash. In this scenario, the CVD amount will not be considered for the purpose of fixation of export obligation. However, if this option is availed by the importer, the importer would not be able to avail the CENVAT credit of the CVD so paid
 - c. Exemption from additional duty of customs in lieu of VAT/Sales Tax ("ACD")

The above benefits are also available for an EPCG Authorization holder, who sources capital goods from a domestic leasing company. In such cases, the bills of entry of the imported capital goods would need to be signed jointly by the EPCG Authorization holder and the leasing company.

- Concessions on sourcing of capital goods from a domestic manufacturer

A person holding an EPCG Authorization may also source capital goods from a domestic manufacturer. The Authorization holder intending to do so shall request the Regional Authority ("RA") for invalidation of EPCG authorization for direct import along with name and address of the person from whom the capital goods would be sourced.

Such domestic manufacturer would be eligible for the following benefits:

- a. Obtaining an Advance Authorization for import of inputs (including components) required for manufacture of capital goods to be supplied to the EPCG authorization holder.
- b. Such Advance Authorization would enable duty free import of inputs (with normal allowances of wastage), fuel, oil, energy, catalysts as well as mandatory spares (which are required to be supplied with resultant products) upto 10% of CIF value of Advance Authorization
- c. Deemed Export Drawback (enables drawback of customs, excise and service tax incurred on the input side used for manufacture of goods meant for supply to power projects)
- d. Refund of excise duty paid on the final product
- The conditions for availing benefits under the EPCG scheme:

EPCG authorization holder to meet 'Actual User' condition

- The EPCG Authorisation holder is required to utilize the imported capital goods for his own use in the course of business till export obligation (EO) is fulfilled
- To that end the EPCG Authorisation holder needs to submit to the concerned RA, a certificate from the jurisdictional Central Excise Authority or an independent Chartered Engineer confirming installation of the capital goods procured under the EPCG Authorisation at the factory premises of the EPCG Authorisation holder or his supporting manufacturer(s)/vendor(s) within six (6) months

from the date of completion of imports

EPCG authorization holder to fulfill EO

- Export obligation on the EPCG Authorisation holder has been fixed at 8 times of duty saved on importation of capital goods. In case of domestic sourcing, EO shall be calculated with reference to notional customs duties saved on FOR value

If the duty saved is less than INR 1 billion, the EO is required to be achieved over a period of 8 years from the date of issue of authorization, in the following proportions:

Sr. No.	Period from the date of issue of licence or authorization	Proportion of total export obligation
(1)	(2)	(3)
1.	Block of 1st to 6th year	50%
2.	Block of 7th to 8th year	50%

In case the duty saved is more than INR 1 billion the EO is required to be achieved in 12 years from the date of issue of authorization, in the following proportions:

Sr. No.	Period from the date of issue of licence or authorization	Proportion of total export obligation
(1)	(2)	(3)
1.	Block of 1st to 10th year	50%
2.	Block of 11th to 12th year	50%

Statement of General Tax Benefits:

These are the general tax benefits available to the all companies and shareholders, subject to compliance with relevant provisions.

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

I. Benefits available to the company

1. As per section 10(34) of the ITA, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1st April, 2003 by domestic companies) received on the shares of the company is exempt from tax.
2. The domestic company is required to pay dividend distribution tax u/s 115O @ 15% plus applicable surcharge and education cess and Secondary and higher education cess).
3. However, the company will also be entitled to avail the credit of dividend received by it from its subsidiaries in accordance with the provisions of section 115-O (1A) on which tax on distributed profits has been paid by the subsidiary. This credit is available to ultimate parent company i.e. the domestic company is not subsidiary of any other company
4. For the purposes of this sub-section, a company shall be a subsidiary of another company, if such other company holds more than half in nominal value of the equity share capital of the company.
5. As per section 10(35) of the ITA, the following income will be exempt in the hands of the Company:
 - a) Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or

- b) Income received in respect of units from the Administrator of the specified undertaking; or
- c) Income received in respect of units from the specified company:

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

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

- 6. As per section 2(29A) read with section 2(42A), shares held in a company or a Unit of a Mutual Fund specified under clause (23D) of section 10 are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares in a company or a Unit of a Mutual Fund specified under clause (23D) of section 10 are held for more than twelve months.
- 7. As per section 10(38) of the ITA, long term capital gains arising to the company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax will be exempt in the hands of the Company.

For this purpose, “Equity Oriented Fund” means a fund –

- i. where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
- ii. which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the ITA.

As per section 115JB, while calculating “book profits” the Company will not be able to reduce the long term capital gains to which the provisions of section 10(38) of the ITA apply and will be required to pay Minimum Alternate Tax @ 18.5% (plus applicable surcharge and education cess) of the book profits.

- 8. The company will be entitled to amortise preliminary expenditure, being expenditure incurred on public issue of shares, under section 35D(2)(c)(iv) of the ITA, subject to the limit specified in section 35D(3), after the commencement of business.
- 9. As per section 54EC of the ITA and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the ITA) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed ₹ 50 Lacs.

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

A “long term specified asset” for making investment under this section on or after April 1, 2007 means any bond, redeemable after three years and issued on or after the April 1, 2007 by:

- i. National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or
 - ii. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.
10. As per section 111A of the ITA, short term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess).
 11. As per section 112 of the ITA, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds will be charged to tax at the concessional rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the ITA or at 10% (plus applicable surcharge and education cess) without indexation benefits, at the option of the Company. Under section 48 of the ITA, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition/ improvement.
 12. Under section 115JAA(1A) of the ITA, credit is allowed in respect of any Minimum Alternate Tax ('MAT') paid under section 115JB of the ITA for any assessment year commencing on or after April 1, 2006. Tax credit eligible to be carried forward will be the difference between MAT paid and the tax computed as per the normal provisions of the ITA for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 10 years succeeding the year in which the MAT credit is allowable.

II. Benefits available to Resident Shareholders

1. As per section 10(34) r. w. s. 115-O(6) of the ITA, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by the domestic companies) received on the shares of the Company is exempt from tax.
2. As per section 2(29A) read with section 2(42A), shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.
3. As per section 10(38) of the ITA, long term capital gains arising from the transfer of a long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the shareholder.
4. Further as per fifth proviso to Section 48 of the ITA, while computing income under the head "Capital Gains", no deduction shall be allowed in respect of any sum paid on account of securities transaction tax
5. As per section 54EC of the ITA and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the ITA) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed ₹ 50 Lacs.

However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier

would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

- i. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or
 - ii. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.
6. As per section 54F of the ITA, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years. Such benefit will not be available:
- a) if the individual or Hindu Undivided Family
 - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house within a period of one year after the date of transfer of the shares; or
 - constructs another residential house within a period of three years after the date of transfer of the shares; and
 - b) 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 only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain, the same proportion as the cost of the new residential house bears to the net consideration, will be exempt.

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

7. As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long-term capital gains.
8. As per Section 14A, no deduction shall be allowed in respect of expenditure incurred by the company in relation to income which does not form part of the total income under this Act.
9. As per section 111A of the ITA, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable

surcharge and education cess).

10. As per section 112 of the ITA, taxable long-term capital gains, if any, on sale of listed securities will be charged to tax at the rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits or at 10% (plus applicable surcharge and education cess) without indexation benefits, whichever is less. Under section 48 of the ITA, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition/ improvement.

11. Clubbing of Income:

Any income of minor children clubbed with the total income of the parent under section 64(1A) of the IT Act, will be exempt from tax to the extent of ₹ 1,500/- per minor child under section 10(32) of the IT Act.

III. Benefits available to Non-Resident Indians/Non-Resident Shareholders (Other than FIIs)

1. As per section 10(34) read with section 115-O of the ITA, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by the domestic companies) received on the shares of the Company is exempt from tax.
2. As per section 2(29A) read with section 2(42A), shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.
3. As per section 10(38) of the ITA, long term capital gains arising from the transfer of long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the shareholder.
4. As per first proviso to section 48 of the ITA, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost Indexation benefit will not be available in such a case. As per section 112 of the ITA, taxable long-term capital gains, if any, on sale of shares of the company will be charged to tax at the rate of 20% (plus applicable surcharge and education cess).
5. As per section 54EC of the ITA and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the ITA) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed ₹ 50 Lacs.

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

A “long term specified asset” for making investment under this section on or after April 1, 2007 means any bond, redeemable after three years and issued on or after the April 1, 2007 by:

- i. National Highways Authority of India constituted under section 3 of the National Highways

Authority of India Act, 1988; or

- ii. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.
- 6. As per section 54F of the ITA, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years. Such benefit will not be available:
 - a) if the individual or Hindu Undivided Family
 - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house within a period of one year after the date of transfer of the shares; or
 - constructs another residential house within a period of three years after the date of transfer of the shares; and
 - b) 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 only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain, the same proportion as the cost of the new residential house bears to the net consideration, will be exempt.

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

- 7. As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long-term capital gains.
- 8. As per section 111A of the ITA, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess).
- 9. As per section 115E of the ITA, in the case of a shareholder being a Non-Resident Indian, the long term capital gain arising on assets, other than specified assets and other than long term capital gain covered in section 10(38) shall be subject to tax at the rate of 10% (plus applicable surcharge and education cess), without any indexation benefit.
- 10. As per section 115F of the ITA and subject to the conditions specified therein, in the case of a shareholder being a Non-Resident Indian, gains arising on transfer of a long term capital asset being shares of the Company will not be chargeable to tax if the entire net consideration received

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

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

For the purpose of aforesaid clauses “Non-Resident Indian” means an Individual, being a citizen of India or a person of Indian origin who is not a “resident”. A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

14. Any income of minor children clubbed with the total income of the parent under section 64(1A) of the IT Act, will be exempt from tax to the extent of ₹ 1,500/- per minor child under section 10(32) of the IT Act.

Provisions of the ITA vis-à-vis provisions of the Tax Treaty

1. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is resident. As per the provisions of section 90(2) of the ITA, the provisions of the ITA would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

IV. Benefits available to Foreign Institutional Investors (‘FIIs’)

1. As per section 10(34) read with section 115-O of the ITA, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by the domestic companies) received on the shares of the Company is exempt from tax.
2. As per section 2(29A) read with section 2(42A), shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.
3. As per section 10(38) of the ITA, long term capital gains arising from the transfer of long term

capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt to tax in the hands of the FIIs.

4. As per section 54EC of the ITA and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the ITA) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed ₹ 50 Lacs.

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

A “long term specified asset” for making investment under this section on or after 1st April 2007 means any bond, redeemable after three years and issued on or after the 1st April 2007 by:

- i. National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or
 - ii. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.
5. As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long-term capital gains.
 6. As per section 111A of the ITA, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess).
 7. As per section 115AD of the ITA, FIIs will be taxed on the capital gains that are not exempt under the provision of section 10(38) of the ITA, at the following rates:

Nature of income	Rate of tax (%)
Long term capital gains	10
Short term capital gains (other than referred to in section 111A)	30

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

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

8. As per section 196D, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares payable to Foreign Institutional Investor.

Provisions of the ITA vis-à-vis provisions of the Tax Treaty

1. The tax rates and consequent taxation mentioned above will be further subject to any benefits

available under the Tax Treaty, if any, between India and the country in which the FII is resident. As per the provisions of section 90(2) of the ITA, the provisions of the ITA would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

V. Benefits available to Mutual Funds

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

VI. Benefits available under the Wealth Tax Act, 1957

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

VII. Benefits available under the Gift Tax Act, 1958

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares of the Company will not attract gift tax. However as per section 56(vii)(b) of Income Tax Act 1961, shares gifted to any person other than relatives may be treated as income in the hands of recipients.

Notes:

- i. All the above benefits are as per the current laws. Accordingly, any change or amendment in the laws/regulation would impact the same.
- ii. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investments in the shares of the company.

The above Statement of Possible Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

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;

The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;

The above Statement of Possible Direct Tax Benefits is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue

These benefits will be available only to the sole/ first named holder in case the shares are held by joint holders; and in respect of non-residents, the tax rates and the consequent taxation 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.

INDUSTRY

Unless otherwise indicated, all financial and statistical data in the following discussion is derived from websites of and publicly available documents from various sources, including the websites of the Ministry of Power and Central Electricity Authority (“CEA”). The data may have been re-classified by us for the purpose of presentation. Unless otherwise indicated, the data presented excludes captive capacity and generation. Neither we nor any other person connected with the Issue have verified this information. Industry sources and publications generally state that the information contained therein are as of a particular date and has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information.

Overview of the Indian Economy

India is the world’s largest democracy by population, and one of the fastest growing economies in the world. India’s estimated population was 1.21 billion as of March 1, 2011 (*Source: Provisional Population Totals Paper 1 of 2011 India series 1, Census Data 2011 published by Office of Registrar General & Census Commissioner, India*). The Indian economy is among the fastest growing economies globally and has grown at an average rate of 8.4% per annum during the last five years (FY 2007 to FY 2011 - estimated) (*Source: Reserve Bank of India Macroeconomic and Monetary Development Reports*). India follows a system of successive five-year plans (each, a “Plan” of a “Five-year Plan”) that establish targets for economic development in various sectors, including the power sector. According to the Planning Commission of India, the Eleventh Plan (2007-2012) is aimed at achieving a sustainable GDP growth rate of 9.0%. However, the growth of the Indian economy slowed down significantly to 6.7% in FY 2009 (*Source: Reserve Bank of India, First Quarter Review of Macroeconomic and Monetary Developments for the Year 2010-2011 dated July 26, 2010*) largely due to the effects of the global financial crisis. In FY 2010, driven mainly by growth in the second and fourth quarters due to rebounding services, mining and quarrying, and manufacturing sectors, the Indian economy grew at an annual rate of 8.0%.

Indian Real GDP Growth

Since the second quarter of fiscal 2010, the Indian economy has staged a slow recovery and the year-on-year economic growth in the third quarter of FY 2011 was 8.2%. As per Reserve Bank of India estimates, the GDP growth rate at factor cost for FY 2011 is estimated to be 8.6%. (*Source: Reserve Bank of India Macroeconomic and Monetary Development Report dated May 2, 2011*).

The year-on-year real GDP growth (at 2004-05 prices) for the three quarters of 2011 and the corresponding quarters of 2010 in selected sectors, are set forth below:

Real GDP Growth (%) at Factor Cost

Sector	Q1 (April – June)		Q2 (July – September)		Q3 (October – December)		9 months ending December 31, 2010	
	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11
Agricultural & Allied Activities	1.8	2.5	1.2	4.4	-1.6	8.9	0.2	5.7
Industry	2.9	11.7	6.3	8.9	10.0	5.7	6.4	8.7
Services	8.5	9.4	10.8	9.6	9.2	8.7	9.5	9.3
Overall	6.3	8.9	8.6	8.9	7.3	8.2	7.4	8.6

Source: Reserve Bank of India Macroeconomic and Monetary Development Report dated May 2, 2011

Under the Eleventh Plan, the electricity sector is expected to attract 30.4% of the total investment in infrastructure. Of the total expected investment of ₹ 7,253.3 billion in electricity, ₹ 4,034.8 billion (55.6%) is expected to be invested for generation, ₹ 1,520.8 billion (21.0%) for transmission and ₹ 1,697.7 billion (23.4%) for distribution.

The following table sets forth investment projections for the Eleventh Plan:

(at 2006-07 prices)

Sectors	₹ in billions	US\$ in billions ⁽¹⁾	Sectoral share
Electricity (including NCE)	7,253.3	176.9	30.4%
Roads	3,668.4	89.5	15.4%
Telecom	3,141.2	76.6	13.2%
Railways (including MRTS)	3,035.3	74.0	12.7%
Irrigation (including watershed)	2,625.1	64.0	11.0%
Water Supply and Sanitation	2,342.7	57.1	9.8%
Ports	869.9	21.2	3.6%
Airports	408.8	10.0	1.7%
Storage	263.3	6.4	1.1%
Gas	241.2	5.9	1.0%
Total	23,849.1	581.7	100.0%

(1) US\$1=₹ 41

Source: Projections of Investment in Infrastructure during the Eleventh Plan, Planning Commission, Government of India, October 22, 2007 available at http://infrastructure.gov.in/pdf/Inv_Projection.pdf

Industry Demand-Supply Overview

The Indian power sector has historically been characterised by energy shortages which have been increasing over the years. The following table sets forth the shortage of power in the peak demand and normative energy requirement in India from Fiscal 2003 to Fiscal 2011

Demand Supply Scenario

Period	Peak Demand				Energy Requirement			
	Demand (MW)	Availability (MW)	Deficit		Demand (MU*)	Availability (MU*)	Deficit	
			(MW)	(%)			(MU*)	(%)
FY 2002 -03	81,492	71,547	9,945	12.2	545,983	497,890	48,093	8.8
FY 2003-04	84,574	75,066	9,508	11.2	559,264	519,398	39,866	7.1
FY 2004-05	87,906	77,652	10,254	11.7	591,373	548,115	43,258	7.3
FY 2005-06	93,255	81,792	11,463	12.3	631,554	578,819	52,735	8.4
FY 2006-07	100,715	86,818	13,897	13.8	690,587	624,495	66,092	9.6
FY 2007-08	108,866	90,793	18,073	16.6	739,343	666,007	73,336	9.9
FY 2008-09	109,809	96,785	13,024	11.9	777,039	691,038	86,001	11.1
FY 2009-10	119,166	104,009	15,157	12.7	830,594	746,644	83,950	10.1
FY 2010-11**	125,077	112,167	12,910	10.3	862,125	789,013	73,112	8.5

*Million Units

** Provisional

Source: CEA, "Power Scenario at a Glance", January 2011 and CEA, Monthly Review of Power Sector, March 2011

Regional Demand-Supply Scenario

The following table sets forth the shortage of power in the peak demand and normative energy requirement in India from April 2010 to March 2011 across different regions based on provisional figures available:

Region	Peak Demand				Energy Requirement			
	Demand (MW)	Availability (MW)	Deficit		Demand (MU*)	Availability (MU*)	Deficit	
			(MW)	(%)			(MU*)	(%)
North	37,431	34,101	3,330	8.9	259,426	238,782	20,644	8.0
West	40,798	34,819	5,979	14.7	268,452	232,835	35,617	13.3

Region	Peak Demand				Energy Requirement			
	Demand (MW)	Availability (MW)	Deficit		Demand (MU*)	Availability (MU*)	Deficit	
			(MW)	(%)			(MU*)	(%)
South	33,225	31,129	2,096	6.3	229,853	217,929	11,924	5.2
East	14,528	13,085	1,443	9.9	94,515	90,458	4,057	4.3
North-East	1,913	1,560	353	18.5	9,879	9,009	870	8.8

*Million Units

Source: Monthly Review of Power Sector, March 2011

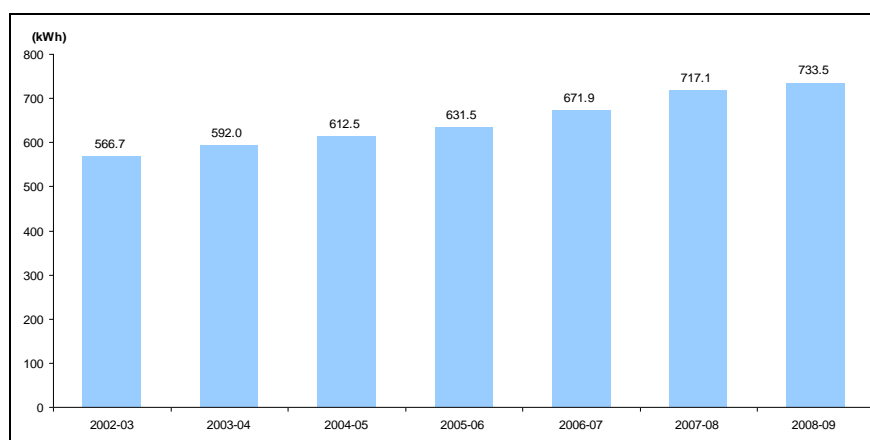
Energy deficits vary widely across India, with the western region having the highest normative energy requirement shortage followed by the north-eastern and northern regions, and the north-eastern region having the highest peak demand shortage followed by the western and northern regions.

According to the 17th Electric Power Survey, by FY 2017, peak demand is expected to reach 218,209 MW with an energy requirement of 1,392 billion units.

Large Energy Deficit Results in Low Per Capita Consumption of Electricity

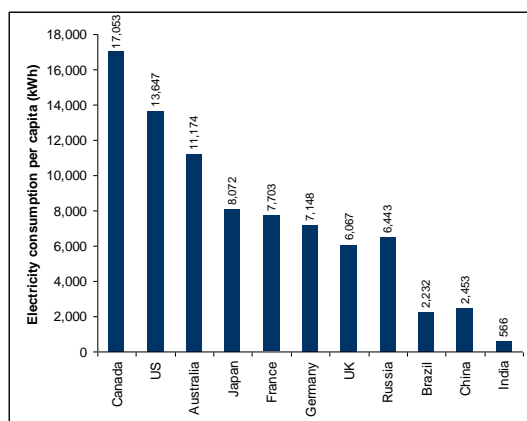
The per capita consumption of power in India has increased from 566.7 kWh/ year in FY 2003 to 733.5 kWh/ year in FY 2009, at a compounded annual growth rate of 4.4% for the same period. The following chart highlights the growth in per capita consumption of power:

Per Capita Consumption (kWh/year)



Source: CEA, Monthly Review of Power Sector, January 2011

Due to inadequate supply and distribution infrastructure, the per capita consumption of energy in India is extremely low in comparison to most other parts of the world. The following chart shows the per capita consumption of electricity in 2008 in various developed and developing countries:



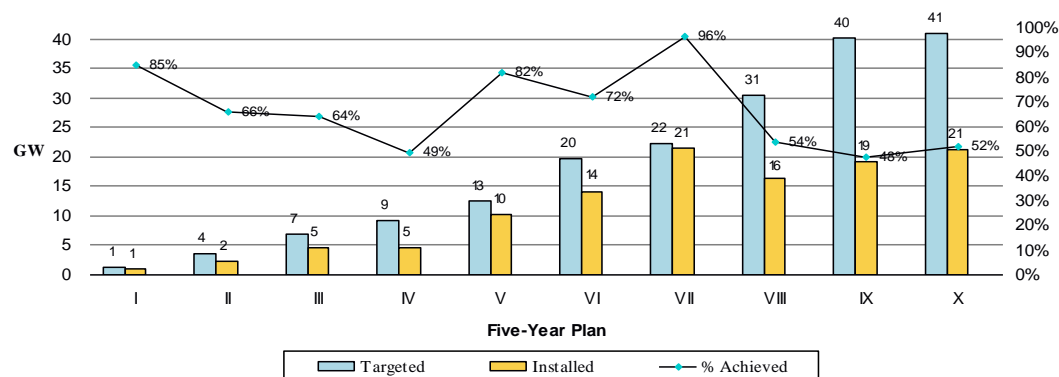
Source: IEA, Key World Energy Statistics, 2010

Any increase in per capita consumption of electricity in India necessitates an increase in the accessibility of electricity in rural India. The central government has set a target of 1,000 kWh per capita consumption by FY 2012, as envisaged in its National Electricity Policy.

Historical Capacity Additions

The energy deficit in India is a consequence of slow progress in the development of additional energy capacity. During the implementation of the last three Five-Year Plans (the Eighth, Ninth, and Tenth Five-Year Plans, covering the fiscal years 1992 to 2006), less than 50.0% of the targeted additional energy capacity was added. India added an average of approximately 20,000 MW to its energy capacity in each of the Ninth and Tenth Five-Year Plan periods (the fiscal years 1997 to 2001 and 2002 to 2006, respectively). (Source: White Paper on Strategy for Eleventh Plan, prepared by CEA and Confederation of Indian Industry (the "White Paper").

The following chart sets forth the targeted energy capacity addition for the Five-Year Plans, the installed capacity actually achieved at the end of those Five-Year Plans and the installed capacity actually achieved as a percentage of the targeted capacity additions for each of those Five-Year Plans:



Source: The White Paper

The total capacity addition during the past 25 years between the Sixth and the Tenth Five-Year Plans was approximately 91,000 MW. A total capacity addition of 78,700.4 MW is planned for the Eleventh Five-Year Plan (2007-12) which should result in substantial investments in the power generation sector.

Installed Generation Capacity by Sector and Fuel

The following table and diagrams set forth a summary of India's energy generation capacity as of March 31, 2011 in terms of fuel source and ownership:

(figures in MW)

Sector	Hydro	Thermal				Nuclear	Renewable Energy Sources	Total
		Coal	Gas	Diesel	Total			
State	27,257.00	47,257.00	4,327.12	602.61	52,186.73	0.00	3,008.85	82,452.58
Private	1,425.00	12,616.38	6,677.00	597.14	19,890.52	0.00	15,445.67	36,761.19
Central	8,885.40	34,045.00	6,702.23	0.00	40,747.23	4,780.00	0.00	54,412.63
Total	37,567.40	93,918.38	17,706.35	1,199.75	112,824.48	4,780.00	18,454.52	173,626.40

Source: CEA, Monthly Review of Power Sector, March 2011, provisional figures

The Central and State governments together own and operate approximately 78.8% of the installed power capacity in India. The private sector has historically been reluctant to enter the market for power plants because of onerous governmental regulations on the construction and operation of power plants and sourcing of fuel for such plants. However, the participation of the private sector has been increasing over time owing to power sector reforms.

Thermal Power Generation

As of March 31, 2011, thermal power plants account for 65.0% of India's installed capacity, within which 83.2% of the capacity is accounted for by coal-based plants, based on total available thermal capacity. (Source: CEA, "Power Scenario at a Glance", March 2011, provisional figures)

Capacity Utilisation

Capacity utilisation in the Indian power sector is measured by the plant load factor ("PLF") of generating plants. The average PLF for coal-fired plants in India has increased from 69.0% in FY 2001 to 77.5% in FY 2010 as may be seen from the following table:

Average PLF for Thermal Power Plants in India

Period	Central	State	Private	Overall
FY 2001	74.3%	65.6%	73.1%	69.0%
FY 2002	74.3%	65.6%	73.1%	69.0%
FY 2003	77.1%	68.7%	78.9%	72.1%
FY 2004	78.7%	68.4%	80.5%	72.7%
FY 2005	81.7%	69.6%	85.1%	74.8%
FY 2006	82.1%	67.1%	85.4%	73.6%
FY 2007	84.8%	70.6%	86.3%	76.8%
FY 2008	86.7%	71.9%	90.8%	78.6%
FY 2009	84.3%	71.2%	91.0%	77.2%
FY 2010*	85.5%	70.9%	82.4%	77.5%
FY 2011*	83.1%	63.9%	79.7%	72.9%

* Upto December 2010

Source: Ministry of Power, Annual Report 2010-11

Future Demand-Supply Scenario and Capacity Additions

According to the CEA, as of March 31, 2011, India had an installed generation capacity of 173,626.4 MW. A key risk to the continued growth of the Indian economy is inadequate infrastructure. Infrastructure investment in India is on the rise, but growth may be constrained without further improvements.

The central government has identified the power sector as a key sector of focus to promote sustained industrial growth by embarking on an aggressive mission – "Power for All" by 2012, backed by extensive reforms to make the power sector more attractive for private sector investment. According to the Integrated Energy Policy ("IEP") report,

dated August 2006, issued by the Planning Commission, India would require additional capacity of about 47-60 gigawatts ("GW") by 2012, 133-164 GW by 2017 and 252-315 GW by 2022, respectively, based on normative parameters in order to sustain a 8.0-9.0% GDP growth rate (*Source: IEP, Expert Committee on Power*). The following table sets forth the additional capacity required by 2012, 2017 and 2022 under different GDP growth rate scenarios and the current capacity (provisional) as of March 31, 2011:

	Assumed GDP Growth	Electricity Generation Required	Peak Demand	Installed Capacity	Capacity Addition Required ⁽¹⁾
	(%)	(BU)	(GW)	(GW)	(GW)
By FY 2012	8.0	1,097	158	220	47
	9.0	1,167	168	233	60
By FY 2017	8.0	1,524	226	306	133
	9.0	1,687	250	337	164
By FY 2022	8.0	2,118	323	425	252
	9.0	2,438	372	488	315

Note:

(1) Based on the current existing installed capacity (provisional) of 173 GW in India as of March 31, 2011.

Source: IEP Report, Expert Committee on Power and CEA, Monthly Review of Power Sector, March 2011

The capacity addition envisaged during the Eleventh Five-Year Plan is 78,700.0 MW as illustrated in the following table:

Sector	Hydro	Thermal	Nuclear	Total
Central	8,654.0	24,840.0	3,380.0	36,874.0
State	3,482.0	23,301.4	0.0	26,783.4
Private	3,491.0	11,552.0	0.0	15,043.0
All-India Total	15,627.0	59,693.0	3,380.0	78,700.4

Source: CEA, "Power Scenario at a Glance", January 2011

Power Scenario in Eastern and Western India

The total installed capacity in eastern India as on March 31, 2011 was 23,196.84 MW (provisional). Details of the installed capacity in eastern India are given below:

Installed capacity (provisional) as on March 31, 2011 in the eastern India:

Sector	Hydro	Thermal				Nuclear	Renewable Energy Sources	Total
		Coal	Gas	Diesel	Total			
State	3,168.92	6,920.00	100.00	17.06	7,037.06	0.0	332.99	10,538.97
Private	0.0	2,901.38	0.00	0.14	2,901.52	0.0	26.65	2,928.17
Central	713.20	8,926.50	90.00	0.00	9,016.50	0.0	0.0	9,729.70
Total	3,882.12	18,747.88	190.00	17.20	18,955.08	0.0	359.64	23,196.84

Source: CEA, Monthly Review of Power Sector, March 2011

Demand Supply Scenario in Eastern India:

Period	Peak Demand	Peak Met	Peak Deficit	Peak Deficit	Energy Requirement	Energy Availability	Energy Deficit	Energy Deficit
	(MW)	(MW)	(MW)	(%)	(MU)	(MU)	(MU)	(%)
Ninth Plan	7,940	7,648	292	3.7	50,687	50,197	490	1.0
FY 2003	8,076	7,676	400	5.0	51,653	50,260	1,393	2.7
FY 2004	8,594	7,710	884	10.3	54,977	52,287	2,690	4.9

Period	Peak Demand	Peak Met	Peak Deficit	Peak Deficit	Energy Requirement	Energy Availability	Energy Deficit	Energy Deficit
	(MW)	(MW)	(MW)	(%)	(MU)	(MU)	(MU)	(%)
FY 2005	8,816	8,533	283	3.2	57,036	55,678	1,358	2.4
FY 2006	10,161	9,677	484	4.8	62,347	60,706	1,641	2.6
FY 2007	10,491	10,058	433	4.1	68,198	66,183	2,015	3.0
FY 2008	12,031	10,699	1,332	11.1	75,833	72,099	3,734	4.9
FY 2009	12,901	11,689	1,212	9.4	82,127	78,370	3,757	4.6
FY 2010	13,963	12,885	1,078	7.7	88,040	84,054	3,986	4.5
FY 2011*	14,528	13,085	1,443	9.9	94,515	90,458	4,057	4.3

* Provisional

Source: CEA, "Power Scenario at a Glance", January 2011 and CEA, Monthly Review of Power Sector, March 2011

State-wise Demand Supply Scenario in Eastern India for April 2010 - March 2011 (Provisional):

State/Union Territories	Peak Demand (MW)	Peak Deficit (MW)	Peak Deficit (%)	Energy Requirement (MU)	Energy Deficit (MU)	Energy Deficit (%)
Bihar	2,140	481	22.5	12,552	1,762	14.0
DVC	2,562	516	20.1	16,413	1,391	8.5
Jharkhand	1,012	0	0.0	6,185	209	3.4
Orissa	3,505	37	1.1	22,423	61	0.3
West Bengal	6,162	50	0.8	36,540	634	1.7
Sikkim	106	2	1.9	402	0	0.0

Source: CEA, Monthly Review of Power Sector, March 2011

The total installed capacity in western India as on March 31, 2011 was 53,562.25 MW. Details of the installed capacity in western India are given below:

Installed capacity (provisional) as on March 31, 2011 in the western India:

Sector	Hydro	Thermal				Nuclear	Renewable Energy Sources	Total
		Coal	Gas	Diesel	Total			
State	5,480.50	16,382.50	1,564.72	17.28	17,964.50	0.00	344.99	23,789.99
Private	447.0	7,135.00	2,805.50	0.20	9,940.70	0.00	5,012.97	15,400.67
Central	1,520.00	7,478.00	3,533.59	0.0	11,011.59	1,840.00	0.00	14,371.59
Total	7,447.50	30,995.50	7,903.81	17.48	38,916.79	1,840.00	5,357.96	53,562.25

Source: CEA, Monthly Review of Power Sector, March 2011

Demand Supply Scenario in Western India:

Period	Peak Demand	Peak Met	Peak Deficit	Peak Deficit	Energy Requirement	Energy Availability	Energy Deficit	Energy Deficit
	(MW)	(MW)	(MW)	(%)	(MU)	(MU)	(MU)	(%)
Ninth Plan	26,510	22,024	4,486	16.9	175,016	156,793	18,223	10.4
FY 2003	28,677	22,853	5,824	20.3	190,745	166,687	24,058	12.6
FY 2004	29,704	23,657	6,047	20.4	191,680	171,236	20,444	10.7
FY 2005	31,085	24,128	6,957	22.4	204,048	181,010	23,038	11.3
FY 2006	31,772	25,257	6,515	20.5	215,983	186,904	29,079	13.5
FY 2007	36,453	27,463	8,990	24.7	232,391	196,117	36,274	15.6

Period	Peak Demand	Peak Met	Peak Deficit	Peak Deficit	Energy Requirement	Energy Availability	Energy Deficit	Energy Deficit
	(MW)	(MW)	(MW)	(%)	(MU)	(MU)	(MU)	(%)
FY 2008	38,277	29,385	8,892	23.2	247,173	208,228	38,945	15.8
FY 2009	37,240	30,154	7,086	19.0	254,486	213,724	40,762	16.0
FY 2010	39,609	32,586	7,024	17.7	258,551	223,153	35,398	13.7
FY 2011*	40,798	34,819	5,979	14.7	268,452	232,835	35,617	13.3

* Provisional

Source: CEA, "Power Scenario at a Glance", January 2011 and CEA, Monthly Review of Power Sector, March 2011

State-wise Demand Supply Scenario in Western India for April 2010 –March 2011 (Provisional):

State/Union Territories	Peak Demand (MW)	Peak Deficit (MW)	Peak Deficit (%)	Energy Requirement (MU)	Energy Deficit (MU)	Energy Deficit (%)
Chhattisgarh	3,148	-310	9.8	10,349	175	1.7
Gujarat	10,786	839	7.8	71,663	4,118	5.7
Madhya Pradesh	8,864	771	8.7	38,629	9,792	20.2
Maharashtra	19,766	3,574	18.1	128,267	21,278	16.6
Daman and Diu	353	25	7.1	2,177	184	8.5
Dadra and Nagar	594	0	0	4,421	5	0.1
Goa	544	77	14.2	3,154	65	2.1

Source: CEA, Monthly Review of Power Sector, March 2011

Outlook for Fuel Supply

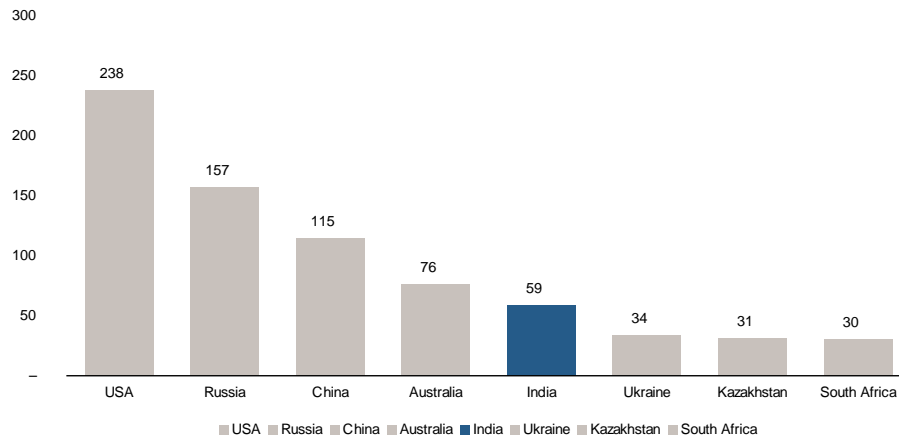
Coal

Given India's large coal reserves, coal is expected to continue to dominate as a source of fuel for power plants in India. India has the fourth largest coal reserves in the world. However, in the past, there were restrictions on the entry of private sector players into coal mining, which had caused India's coal production to remain low in comparison to its reserves.

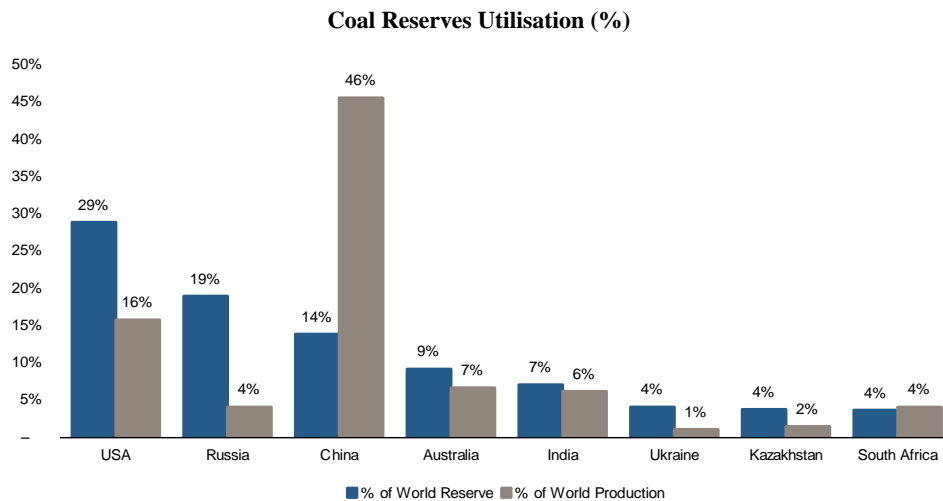
According to the BP Statistical Review of World Energy 2010, as of 2009, China had 13.9% of the world's proven coal reserves and accounted for 45.6% of world's total coal production, while India had 7.1% of the world's proven coal reserves but accounted for only 6.2% of the world's total coal production. (Source: BP Statistical Review of World Energy 2010)

The following tables set forth the total proven coal reserves in various countries and each country's proven coal reserves and coal production as a percentage of the world's proven coal reserves and coal production, respectively.

International Proven Coal Reserves (Billions of Tonnes)



Source: BP Statistical Review of World Energy, 2010

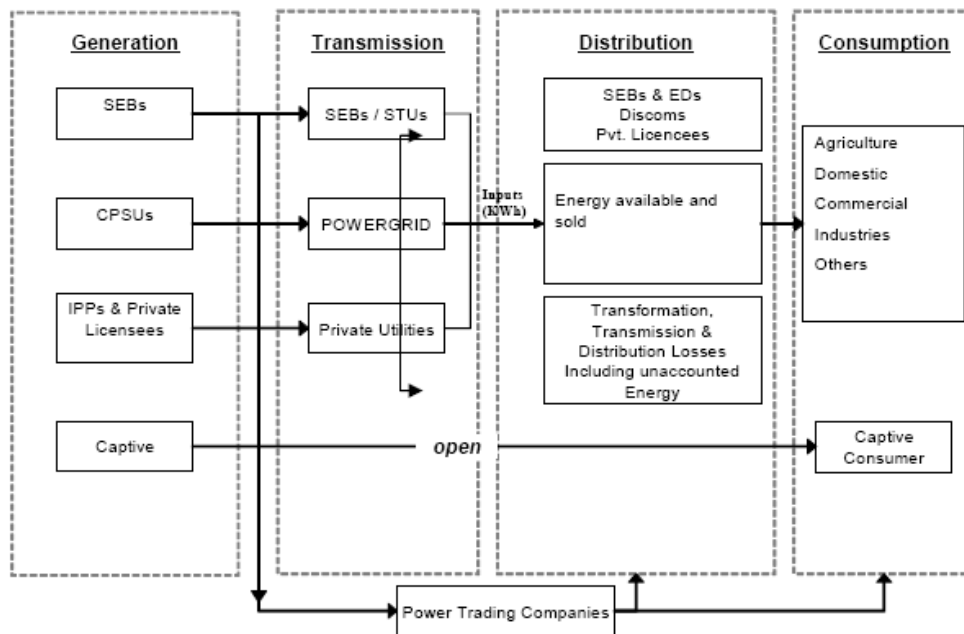


Source: BP Statistical Review of World Energy, 2010

In 2004, the Government set up a committee on coal sector reforms that led to several new initiatives to encourage coal-based independent power plants in India. The Government has allocated coal blocks for the power sector that are expected to support additional power generation capacity. Till December 2009, 208 coal blocks were allocated to public sector undertakings and private companies. During 2009-2010, 13 coal blocks with total geographical reserves of 3,591.32 MT were allocated to eligible public and private sector companies. 6 coal blocks out of these, with geographical reserves of about 1,674.60 MT of coal were allocated for power generation. (Source: Ministry of Coal, Annual Report: 2009-10)

Organisation of the Power Industry

The following diagram depicts the current structure of the Indian power industry:



Key to the diagram:

CPSUs	Central Public Sector Undertakings
Discoms	Distribution Companies
ED	Electricity Department
IPP	Independent Power Producer
SEB	State Electricity Board
STU	State Transmission Units

Transmission and Distribution

In India, the transmission and distribution system is a three-tier structure comprising regional grids, state grids and distribution networks. The five regional grids, structured on a geographical contiguity basis, facilitate the transfer of power from a power surplus state to a power deficit state. The regional grids also facilitate the optimal scheduling of maintenance outages and greater co-ordination between the power plants. The regional grids are to be gradually integrated to form a national grid, whereby surplus power from a region could be transferred to another region facing power deficits, thereby facilitating a more optimal utilisation of the national electricity generation capacity.

Most inter-regional and interstate transmission links are owned and operated by the Power Grid Corporation of India Limited (“PGCIL”) though some are jointly owned by the SEBs. PGCIL is the central transmission utility of India and possesses one of the largest transmission networks in the world. PGCIL has a pan-India network presence of around 81,456 circuit kilometres of transmission lines, 132 extra high voltage alternation current and high voltage direct current substations, and a total transformation capacity of 90,900 mega volt ampere. Approximately 50.0% of the total generating capacity in India is transmitted through PGCIL’s system. (Source: <http://powergridindia.com>).

PGCIL is working towards the establishment of an integrated national power grid, in a phased manner, in order to strengthen the regional grids and to support the generation capacity addition program of approximately 80,000 MW during the Eleventh Five-Year Plan period. The existing inter-regional power transfer capacity of 22,400 MW is expected to be enhanced to 28,000 MW by 2012 through the creation of “Transmission Super Highways”.

State grids and distribution networks are primarily owned and operated by the respective SEBs or state governments (through state electricity departments). State distribution networks are managed at the state level and continue to be affected by high aggregate technical and commercial (“AT&C”) losses estimated to be approximately 35.0%, which implies that 35.0% of power entering the system is lost during its distribution. (Source: <http://powermin.nic.in>)

A direct consequence of the high AT&C losses is the poor financial condition of SEBs, which constrains the SEBs from making any meaningful investments in generation and in upgrading the transmission and distribution (“T&D”) network.

Power Trading

Historically the main suppliers and consumers of bulk power in India have been the various government controlled generation and distribution companies who typically contracted power on a long term basis by way of power purchase agreements (“PPAs”) with regulated tariffs. However, in order to encourage the entry of merchant power plants and private sector investment in the power sector, the Electricity Act recognised power trading as a distinct activity from generation and T&D and has facilitated the development of a trading market for electricity in India by providing for open access to transmission networks for normative charges. Power trading involves the exchange of power from suppliers with surpluses to suppliers with deficits. Seasonal diversity in generation and demand, as well as the concentration of power generation facilities in the resource-rich eastern region of India, has created ample opportunities for the trading of power. Recent regulatory developments include the announcement of rules and provisions for open access and licensing related to interstate trading in electricity. Several entities have started trading operations or have applied for trading licenses. With the aid of the reforms, the trading price and volume of power traded has grown rapidly over the last few years. The following graph shows the increasing volume of power traded in India for the periods indicated:

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

Table 1: Volume of Electricity Transacted through Trading Licensees and Power Exchanges

Year	Electricity Transacted through trading Licensees (BUs)	Electricity Transacted through IEX (BUs)	Electricity Transacted through PX (BUs)	Total (BUs)	Total Electricity Generation (BUs)	Electricity Traded as % to Total Generation
	1	2	3	4 (1+2+3)	5	6 (4/5)
2004-05	11.85	-	-	11.85	548	2.16%
2005-06	14.19	-	-	14.19	579	2.45%
2006-07	15.02	-	-	15.02	624	2.41%
2007-08	20.96	-	-	20.96	666	3.15%
2008-09	21.92	2.62	0.15	24.69	691	3.57%
2009-10	26.82	6.17	0.92	33.91	764	4.44%

Source: CERC Annual Report 2010

Year	Price of Electricity transacted through Trading Licensees (Rs/kwh)	Price of Electricity transacted through PX (Rs/kwh)	Weighted Average Price of Electricity Transacted through Licensees and PXs (Rs/kwh)
2004-05	2.32	-	2.32
2005-06	3.23	-	3.23
2006-07	4.51	-	4.51
2007-08	4.52	-	4.52
2008-09	7.29	7.48	7.31
2009-10	5.26	4.96	5.19

Source: CERC Annual Report 2010

Note: The Price in 2008-09 represents the Weighted Average Price of electricity transacted through trading licensees and power exchanges and the price in the rest of the years represents the price of electricity transacted through licensees only.

Tariffs

The main objectives of the National Tariff Policy (“NTP”) notified by the GOI on January 6, 2006, include promoting competition, efficiency in operations and improvements in the quality of supply and ensuring the availability of electricity to consumers at reasonable and competitive rates. The NTP reiterates the importance of implementing competition in different segments of the electricity industry as highlighted in the Electricity Act and that competition will lead to significant benefits to consumers through reduction in capital costs and improved efficiency of operations. It will also facilitate the determination of price through competition.

The NTP stipulates that all future power requirements should be procured competitively by distribution licensees except in cases of expansion of existing projects or where there is a state controlled or state-owned developer involved, in which case, regulators will need to resort to tariffs determined by reference to standards of the CERC, provided that expansion of generating capacity by private developers for this purpose will be restricted to a one-time addition of not more than 50.0% of the existing capacity. Under the NTP, even for public sector projects, tariffs for all new generation and transmission projects will be decided on the basis of competitive bidding after a certain period of time.

Merchant Power Plants

Merchant power plants (“MPPs”) generate electricity for sale at market driven rates in the open wholesale market. Typically, the MPPs do not have long term PPAs and are built and owned by private developers. Merchant sales include sale of power under PPAs in which the tariff commitments are for a period of less than one year and on spot basis. Many new private sector players are beginning to adopt the MPP model for their projects to generate higher returns as opposed to selling power through a long term PPA, as the off-take risk is perceived to be low in view of significant power shortages in the country. The MPPs can sell power to the power trading companies (such as Power Trading Corporation), the SEBs and industrial and bulk customers.

Indian Energy Exchange (IEX)

Indian Energy Exchange (“IEX”) is India’s first nationwide automated and online electricity trading platform. IEX seeks to catalyze the modernisation of electricity trade in India by allowing trading through a technology enabled platform. On June 9, 2008, IEX received CERC approval for commencing operations. IEX is a demutualised exchange that will enable efficient price discovery and price risk management in the power trading market. IEX offers a broader choice to generators and distribution licensees for sale and purchase of power facilitating trade in smaller quantities. IEX enables participants to precisely adjust their portfolio as a function of consumption or generation. (Source: <http://www.iexindia.com>).

Short-Term Market for Power

The short-term market for power refers to contracts of less than one year period for electricity transacted through interstate trading licensees and directly by the distribution licensees, power exchanges such as IEX and unscheduled interchange (“UI”). Although unscheduled interchange is not a market mechanism, electricity transacted under UI is often considered a short-term transaction.

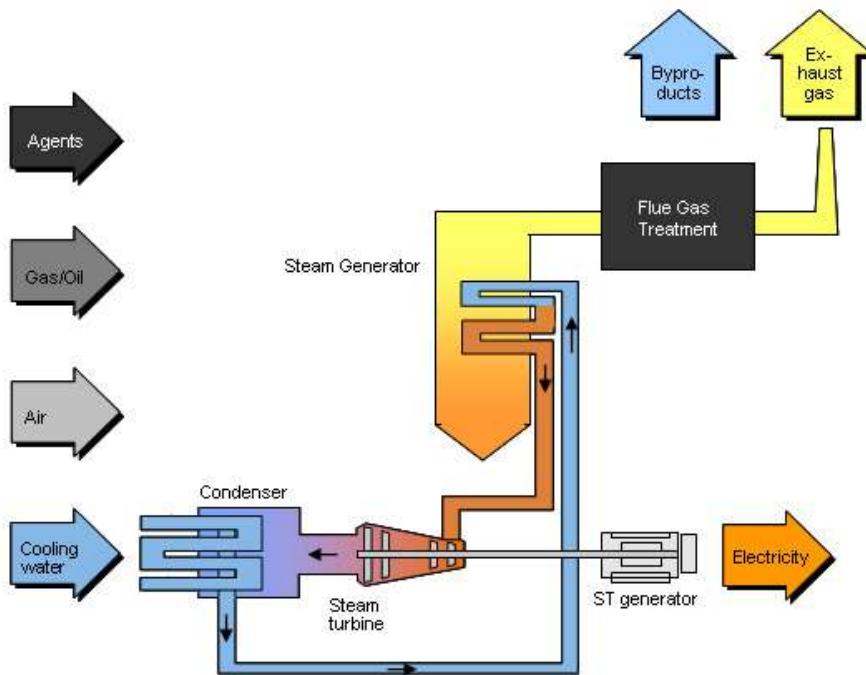
The short term market continued to increase as a percentage of total electricity generation in India. The volume transacted through traders and power exchanges as a percentage of total electricity generation in the country was 3.15%, 3.57% and 4.44% during FY 2008, FY 2009 and FY 2010 respectively. The weighted average price of electricity transacted through trading licensees has increased from ₹ 4.52 per kWh in FY 2008 to ₹ 7.29 per kWh in FY 2009, but came down to ₹ 5.26 per kWh in FY 2010. The weighted average price of electricity transacted through the power exchanges that started their operations in FY 2009, was ₹ 7.48 per kWh and ₹ 4.96 per kWh during FY 2009 and FY 2010, respectively.

Steam Power Plants

The process of generation of power from steam power plants, utilising coal or lignite fuel, essentially entails two stages. In the first stage, the chemical energy stored in the coal is converted into heat energy in coal-fired boilers. In

the second stage, high-pressure steam, which is generated in the boilers, is passed through turbines (through conversion of heat energy into mechanical energy), which in turn is coupled to generators (through conversion of mechanical energy into electrical energy), thereby generating electricity. The water steam cycle essentially contains a coal-fired steam generator, a steam turbine with condenser, a feed-water tank, low-pressure (“LP”) heaters and high-pressure (“HP”) heaters and connecting pipelines. The superheated steam produced in the steam generator is supplied to the steam turbine, which drives the three-phase AC generator. After leaving the HP turbine, the steam is reheated in the steam generator and fed to the intermediate pressure (“IP”) turbine. In the LP turbine, the steam coming directly from the IP turbine expands to condenser pressure and is condensed in the condenser.

A closed cycle water system is used for cooling the condenser. The condensation collected in the condenser hot well is discharged by the condensate pumps and supplied via the LP condensate heaters into the feed water tank. The feed water is further heated by bled steam from turbine and dissolved gases from the feed water are liberated. The boiler feed pumps discharge feed water from the feed water tank via the HP heaters to the economiser. Steaming starts from this point onwards. The high temperature steam water mix is further converted into steam in water walls and finally passed through the super heater sections for converting the saturated steam into superheated steam.



Steam power plant cycles are characterised by the pressure level at which they operate. Sub-critical cycles use pressures below the critical pressure of water. Typical popular unit sizes of large plants are in multiples of 125 /135 MW, 250/300 MW, 500 MW or 600 MW. On the other hand, supercritical cycles operate above the critical pressure providing higher efficiency. These cycles have varying unit sizes and varying parameters.

Boiler types can be alternatives of various capacity parameters, namely:

- Atmospheric Fluidised Bed Combustion type (“AFBC”);
- Circulating Fluidised Bed Combustion type (“CFBC”);
- Pulverised Fuel type (“PF”); and
- Stoking Boilers.

Regulatory Control

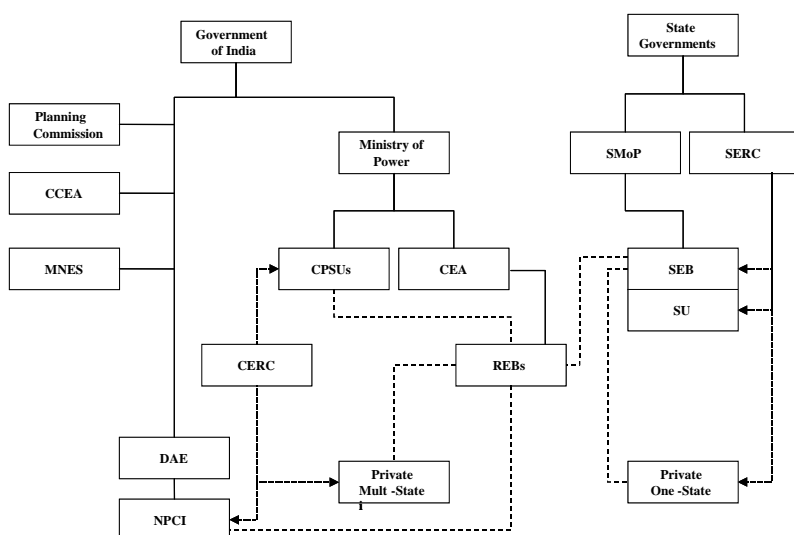
In India, control over the development of the power industry is shared between the central and the state governments. The Ministry of Power is the highest authority governing the power industry in India. The CEA, a statutory organisation constituted under the Supply Act (as defined hereinafter), is the technical branch of the

Ministry of Power assisting in technical, financial and economic matters relating to the electricity industry. The CEA is responsible for giving concurrence to schemes involving capital expenditure beyond a certain limit fixed by the GOI from time to time, and it is also responsible for the development of a sound, adequate and uniform power policy in relation to the control and utilisation of national power resources. The CERC constituted under the Electricity Regulatory Commissions Act, 1998 is an independent statutory body with quasi-judicial powers. Its main functions include the formulation of policy and the framing of guidelines with regard to electricity tariffs.

Several states have set up State Electricity Regulatory Commissions (“SERCs”). The SERCs are engaged in regulating the purchase, distribution, supply and utilisation of electricity, tariff and charges payable, as well as the quality of service. State governments have set up SEBs at the state level, which are responsible for ensuring that the supply, transmission and distribution of electricity in such states is carried out in the most economical and efficient manner. These SEBs are required to coordinate with power generating companies, as well as the government entities that control the relevant power grids. Some states have amalgamated their respective SEBs to form Regional Electricity Boards, to ensure that electricity supply, transmission and distribution policies are consistently applied.

Private sector companies operating in the electricity supply, transmission and distribution industry report to the Ministry of Power, as well as their respective SEBs and their SERCs.

Regulatory Structure



Key to the diagram:

CCEA	Cabinet Committee on Economic Affairs
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CPSUs	Central Public Sector Undertakings
DAE	Department of Atomic Energy
MNES	Ministry of Non-Conventional Energy Sources
NPCI	Nuclear Power Corporation of India Limited
REBs	Regional Electricity Boards
SEB	State Electricity Board
SERC	State Electricity Regulatory Commission
SMoP	State Ministry of Power
SU	State Undertaking

Ultra Mega Power Projects

With the aim of meeting India’s significant power requirements, the GOI has proposed the construction of 16 Ultra Mega Power Projects (“UMPPs”). The award of the projects is based on competitive bidding processes, with the amount of the normalised tariff for 25 years being a significant factor in the selection process. Each of the UMPPs, will provide a power generation capacity of 4,000 MW and use coal as fuel. The GOI will ensure land and

environmental clearances, off-take agreements, payment security mechanisms and also provide for fuel linkages in some cases to ensure efficient implementation of the UMPPs. The UMPPs will be awarded to developers on a Build-Own-Operate basis in which the developer builds, owns and operates the UMPP. The 16 UMPPs, with a total power generation capacity of 36,000 to 56,000 MW, are expected to be awarded and built at different locations in India over the next seven to eight years. To date, six UMPPs have been awarded – the project in Mundra, Gujarat has been awarded to The Tata Power Company Limited, the projects in Sasan, Madhya Pradesh, Krishnapattam, Andhra Pradesh and Tilaiya, Jharkhand have been awarded to Reliance Power Limited, the projects in Kudgi and Lankahuda have been awarded to NTPC.

Captive Power Generation in India

Captive power refers to power generation from a project set up for captive industrial consumption. Due to the continuing shortage of power and India's economic growth, there has been an increase in the requirement for captive power projects in India. As most captive units are based on diesel generator sets, the cost of generation has increased sharply with rising crude oil and diesel prices.

OUR BUSINESS

This section should be read together with “Risk Factors” and “Industry” on pages 13 and 110 respectively.

Overview

We are a power project development company in India. We are currently developing three thermal power projects with a combined installed capacity of 2,671.6 MW in the states of Maharashtra, Jharkhand and Bihar. We intend to sell the power generated from these projects under a variety of off-take arrangements, including long, medium and short term PPAs to state owned and private distribution companies, private power trading companies and industrial consumers, and on merchant basis.

We are part of the Abhijeet Group, which has presence in various sectors. The Abhijeet Group has developed a 25 MW captive power project and a ferro alloys project in West Bengal, a road project in Karnataka and a bridge project in Maharashtra. We, in joint venture with CESC Limited (“CESC”), have been allocated a coal block in Jharkhand and one of our Promoters, Corporate Ispat Alloys Limited (“Corporate Ispat”), has been allocated a coal block in Jharkhand.

Pursuant to the Composite Scheme of Arrangement, the power business of Abhijeet Infra Limited (“AINL”), i.e., the equity shares of AMNEPL and CPL held by AINL, were transferred to the Company, with effect from March 31, 2010. For details, see “Composite Scheme of Arrangement” on page 221.

Our Power Projects

We currently have three coal fired power projects under various stages of development and planning:

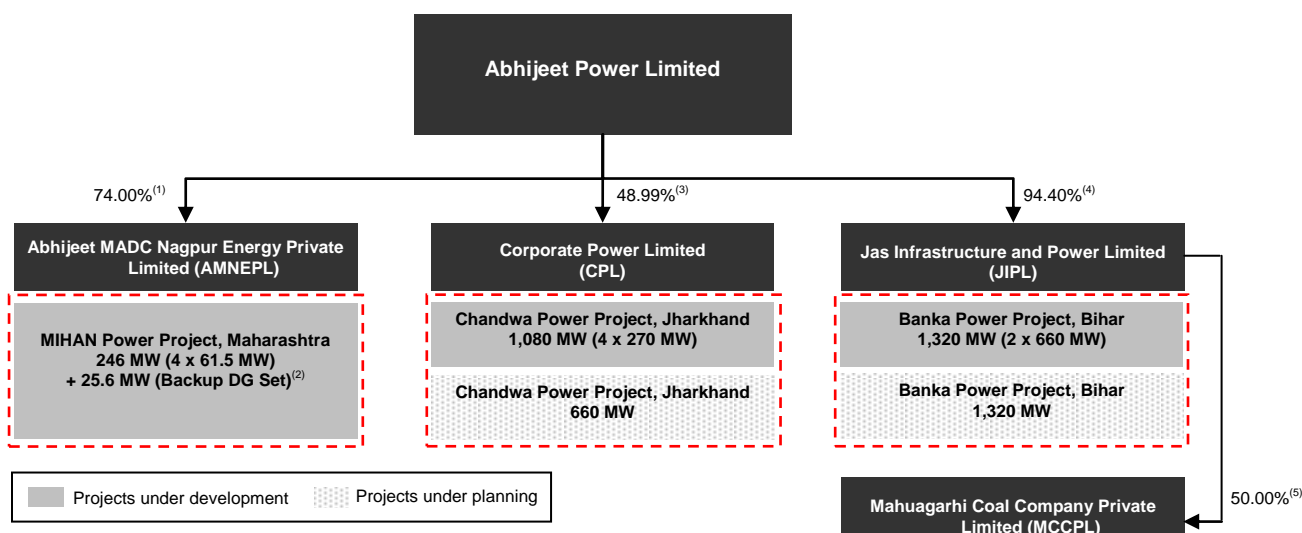
- The MIHAN Power Project is being developed by Abhijeet MADC Nagpur Energy Private Limited (“AMNEPL”), our Subsidiary, of which we control 74.0% of the shareholding (23.0% of the outstanding equity shares are held by our Company and 51.0% are held jointly by our Company as a beneficial and second holder, with AIL as the first holder) near Khaire Khurd village, in Nagpur district, Maharashtra, will have four coal-fired sub-critical generating units of 61.5 MW each and 16 back-up diesel generator sets of 1.6 MW each, aggregating 25.6 MW (“back-up DG sets”), with a combined installed capacity of 271.6 MW. The engineering, procurement and construction (“EPC”) contracts for the power project have been awarded to Abhijeet Projects Limited (“APRL”), a Group Company. In turn, APRL has awarded the boiler, turbine and generator (“BTG”) contract to DF Power Systems Private Limited. The first, second and third units of 61.5 MW each were commissioned in January, May and April 2011, respectively. The fourth unit is expected to be commissioned in July 2011 and the back-up DG sets are expected to be fully commissioned by September 2011. We have not yet received the consent to operate the third and fourth units. Currently the first and second units are being operated on a commercial basis.
- The Chandwa Power Project, being developed by Corporate Power Limited (“CPL”), a Joint Venture in which we have a 48.99% equity interest, at Chandwa in Latehar district, Jharkhand, will have four coal-fired sub-critical generating units of 270 MW each, with a combined installed capacity of 1,080 MW. The EPC contracts for the power project have been awarded to APRL. In turn, APRL has awarded the BTG contract to Bharat Heavy Electricals Limited (“BHEL”). We expect that the first unit will be commissioned by September 2012, and the power project is expected to be fully commissioned by April 2014. In addition, we are planning to develop another unit with installed capacity of 660 MW at Chandwa.
- The Banka Power Project, being developed by Jas Infrastructure and Power Limited (“JIPL”) at Siriya village in Banka district, Bihar, will have two coal-fired super-critical generating units of 660 MW each, with a combined installed capacity of 1,320 MW. Our Company currently holds 94.40% of the outstanding equity interest of JIPL. Pursuant to a shareholders agreement dated October 29, 2010 our Company will hold 96.17% of the outstanding equity interest in JIPL upon the completion of the anticipated equity contributions from the shareholders of JIPL. The EPC contracts for the power project have been awarded to APRL. We expect that the first unit will be commissioned by June 2014, and that the power project is expected to be fully commissioned by October 2014. In addition, we are planning to develop two additional

units of 660 MW each, aggregating to an installed capacity of 1,320 MW at Banka.

For the Fiscal Year 2010 and the nine months ended December 31, 2010, our consolidated total income, as restated, was ₹ 2.85 million and ₹ 357.53 million, respectively.

Our Corporate Structure

The following chart outlines our corporate structure:



- (1) AMNEPL is our Subsidiary, of which we control 74.0% of the shareholding (23.0% of the outstanding equity shares are held by our Company and 51.0% are held jointly by our Company as a beneficial and second holder, with AIL as the first holder). The balance 26.0% outstanding equity shares of AMNEPL are owned by the Maharashtra Airport Development Company, which has granted the concession to AMNEPL.
- (2) The first, second and third units of 61.5 MW each were commissioned in January, May and April 2011, respectively.
- (3) The balance 51.01% outstanding equity shares in the Joint Venture are held by one of our Promoters, Corporate Ispat.
- (4) Our Company currently holds 94.40% of the outstanding equity interest of JIPL. Pursuant to a shareholders agreement dated October 29, 2010, our Company will hold 96.17% of the outstanding equity interest in JIPL upon the completion of anticipated equity contributions from the shareholders of JIPL.
- (5) MCCPL, a 50:50 Joint Venture between JIPL and CESC, is currently developing the Mahuagarhi coal block, which has been allocated jointly to JIPL and CESC.

Our Strengths

Secured fuel supplies for our projects

One of the key factors for the success of any power project is the availability of cost effective fuel sources throughout the lifetime of the power project. The expected consumption of coal for the MIHAN Power Project is approximately 1.05 MMTPA, with a GCV of 4,700 kcal/kg at 90.0% PLF. On April 29, 2010, Western Coalfields Limited (“Western Coalfields”) issued a letter to Maharashtra Airport Development Company Limited (“MADC”), a 26.0% equity holder in AMNEPL, requiring payment of a commitment guarantee of ₹ 113.34 million in order to issue a letter of assurance for procurement of the supply of coal, which has since been provided by AMNEPL. Western Coalfields is expected to provide a letter of assurance to AMNEPL with respect to the supply of coal.

The expected consumption of coal for the Chandwa Power Project is approximately 4.57 MMTPA with an average GCV of 4,200 kcal/kg at 90.0% PLF. We have received a letter of assurance dated September 4, 2010 from Central Coalfields Limited (“Central Coalfields”) for supply of 1.99 MMTPA of Grade E coal to be used for the two units of the Chandwa Power Project. CPL has also entered into a fuel supply agreement with Corporate Ispat dated March 11, 2009, as amended, pursuant to which Corporate Ispat will supply the amount of coal required to operate the power project at 90.0% PLF, less any fuel obtained by CPL from other sources. However, CPL is obligated to purchase minimum quantity of fuel required to operate 540 MW at 85.0% PLF, for a period of 25 years from the

date of first delivery of coal.

The expected consumption of coal for the Banka Power Project is approximately 4.76 MMTPA with a GCV of 4,700 kcal/kg at 90.0% PLF. We propose to source coal for this project from the Mahuagarhi coal block, located in Rajmahal coalfields, Jharkhand. We have incorporated a 50:50 Joint Venture with CESC, Mahuagarhi Coal Company Private Limited (“MCCPL”), to develop the Mahuagarhi coal block, which is estimated to have reserves of up to 220 MMT of coal, of which 50.0% can be used for the Banka Power Project.

Given our expected access to sources of coal, we believe that we will be able to meet the projected fuel requirements of each of our coal-fired power projects for at least a period of twenty years from their respective commissioning dates.

Off-take arrangements for a portion of capacity under development

We have entered into a variety of off-take arrangements, including medium and long term PPAs, which ensure stable and committed revenues. For the MIHAN Power Project, AMNEPL has entered into a medium term PPA for sale of 55 MW of power to Reliance Infrastructure Limited (“Reliance Infrastructure”). AMNEPL is also supplying power under two short-term PPAs with Tata Power Trading Company Limited (“Tata Power”) for the supply of power to MSEDCL and two electricity trading exchanges, respectively, from the MIHAN Power Project as well as a short term PPA with Reliance Infrastructure for sale of infirm power from the MIHAN Power Project to Reliance Infrastructure. We have received an LOI from Reliance Energy Trading Limited for supply of power from May 15, 2011 to June 30, 2011. In addition, MADC has guaranteed a minimum off-take of 25 MW of power from the MIHAN Power Project for the term of the concession agreement until January 7, 2042. For the Chandwa Power Project, CPL has entered into a long term PPA for sale of 540 MW of power (net of auxiliary energy consumption and transmission losses incurred until the delivery point) to Lanco Power Trading Limited (“Lanco”) on “take or pay basis” for a term of 25 years from the date of commercial operation of the first two generating units of the Chandwa Power Project. We expect to sell the remaining power from these power projects on merchant basis. We believe that our diverse off-take arrangements will provide us with the flexibility to take advantage of favourable market movements and contribute to stable revenues.

Locational advantages of our power projects

The location of our power projects is a key strength because of their proximity to fuel sources, water sources and power grid connectivity points. The proximity of our power projects to fuel sources would allow us to reduce transportation costs. The proximity of our project sites to fuel and water sources and power grid connectivity points helps minimise our operating costs. In addition, we can purchase coal rejects at lower cost from washeries located near the fuel sources to further reduce our fuel costs.

The MIHAN Power Project is located within and adjacent to the MIHAN SEZ Area, near Khaire Khurd village in Nagpur district, Maharashtra, and will cater specifically to the power requirements of consumers in the MIHAN Area, including the MIHAN SEZ Area. Any excess power can be sold to any third party for consumption within the state of Maharashtra. The entire water requirement for the project site, including cooling water and steam-cycle requirements, is proposed to be met from the Wadgaon Dam on the Vena River, which is located at a distance of approximately 30 kilometres from the project site. The 220 kV Butibori – Wardha Line, located at a distance of approximately one kilometre from the project site, can evacuate up to 50 MW of power. The 220 kV Wardha – Ambazari Line, located at a distance of approximately seven kilometres from the project site, can evacuate up to 200 MW of power and was completed on February 21, 2011. A third 220 kV line, which connects the MIHAN Power Project to the MIHAN Area, is currently under construction and is expected to be completed by September 30, 2011. This line will allow us to meet our obligations to supply power to consumers in the MIHAN SEZ Area.

The Chandwa Power Project is located adjacent to the Chitarpur coal block, from where Corporate Ispat will supply coal middlings, produced as a result of washing coal, through an approximately 2 km long conveyor belt, pursuant to the terms of the approval of the Ministry of Coal. The water requirement for the Chandwa Power Project is proposed to be met from the Damodar River upstream of Panchet Reservoir, which is located at a distance of approximately 25 kilometres from the project site. The Chandwa Power Project will be connected to the Power Grid

Corporation of India Limited (“PGCIL”) substation at Namkum Grid for evacuation of up to 480 MW of power, which is located at a distance of approximately 108 kilometres from the power project site. We have entered into a bulk power transmission agreement with the PGCIL for long term open access for evacuation of up to 480 MW of power from the first two generating units of the Chandwa Power Project to the substation at Namkum Grid. Construction of the transmission line for such purpose is expected to be completed by July 2012. We have also entered into a bulk power transmission agreement with the PGCIL for long term open access for evacuation of up to 480 MW of power from the latter two generating units of the Chandwa Power Project to a common pooling station to be constructed by PGCIL at a distance of approximately 20 kilometres from the Chandwa Power Project.

The Banka Power Project is located at a distance of approximately 85 kilometres from the Mahuagarhi coal block, which has been allocated jointly to JIPL and CESC, to procure coal for this project. The Banka Power Project will utilise water drawn from the Chandan Dam, which is located on the Chandan River at a distance of approximately 7 kilometres from the project site.

Experienced and qualified management

We are managed by an experienced management team which possesses extensive industry experience. Manoj Jayaswal, our Chairman, is the founder of Abhijeet Group and has over 35 years experience in the infrastructure industry, including in power, road and steel sectors. Abhishek Jayaswal, our Managing Director, is responsible for the development and implementation of projects. K. Ravi Kumar, the Company’s Non-Executive Director and Managing Director of JIPL, is former Chairman of BHEL and has over 35 years of experience in the construction and project management of thermal, hydroelectric and nuclear power projects. Our management team has significant experience in financing, managing and implementing power projects, and we believe it constitutes one of our key competitive strengths in view of the large scale of the projects that we are currently implementing. For further details, see “Our Management” on page 228.

Ability to leverage our association with the Abhijeet Group

We are a part of the Abhijeet Group, which operates in diversified sectors, including power generation, road development, manufacturing of ferro alloys and steel. We believe that our affiliation with the Abhijeet Group enables us to bid for certain power projects that we may otherwise be unable to bid for autonomously due to the necessity to fulfill certain financial and/or other eligibility criteria.

The Abhijeet Group has established diversified relationships through the development and management of large and diversified projects. We believe this will assist us in entering into contracts and establishing sustainable working relationships with major power project equipment suppliers and contractors at competitive costs and terms. In addition, we believe that our Promoters’ financial strength and experience in executing large scale projects lend us credibility with regard to our ability to finance and complete large-scale power projects. We intend to leverage Abhijeet Group’s experience and relationships in the procurement of vendor services and power transmission equipment to help us build and manage our power generation projects and exploit future business opportunities in this sector.

Our Strategy

Focus on execution of power projects

We are focused on the efficient management of our projects under development and planning, including land acquisition, project design and execution. We intend to commission our projects under development in accordance with our current estimates. We recognise the importance of commissioning projects on a timely basis and intend to increase the scale of our business while adhering to timelines. Outsourcing of the development process enables us to undertake more projects and liaise with experienced partners, while optimally utilising our resources. For example, we have outsourced the EPC component for the MIHAN, Chandwa, and Banka Power Projects and hired NTPC Limited (“NTPC”) to provide consultancy services for the development of operations and maintenance systems for the MIHAN Power Project. We intend to continue to outsource activities such as engineering, design and operations and maintenance training to the optimal partners in order to focus on the timely execution of our power projects.

Focus on reduction of cost of power generation

We intend to continue to focus on reducing the cost of power generation by acquiring and developing captive fuel sources, pursuing economies of scale and securing favourable financing:

- Having a dedicated, cost-efficient and established fuel supply line for a power project is fundamental to the success of a power project. By securing captive fuel sources and coal linkages, we believe that we will be better insulated from volatility in the market price of fuel. As a result, we will be able to leverage our operating efficiencies and eliminate the transaction costs of intermediaries, which will allow us to generate power at lower costs and consequently increase our operating margins.
- We intend to continue to achieve economies of scale from the number and size of our power projects, which provide cost savings in our EPC and BTG contracts, fuel, distribution, operation and maintenance arrangements.
- We will continue to look for the most cost-effective sources of funding, domestically and internationally, to fund the development of our power projects.

Continue to focus on a structured approach to expand and diversify portfolio of power generation assets

We intend to pursue a structured approach to achieving growth by capitalising on our strengths and synergies. As part of this approach, we believe the following factors are crucial in determining our ability to expand our portfolio of power generation assets:

- *Fuel sourcing:* strategically source fuel for our power projects;
- *Location:* close proximity to fuel sources, water sources and power grid connectivity points, to be able to supply power at competitive rates; and
- *Power deficits and network constraints:* take advantage and profit from regional demand and supply patterns, capacity shortages and transmission constraints.

Establish an optimal mix of off-take arrangements

We intend to continue to pursue an optimal mix of long and medium term PPAs to minimise the risks and maximise returns for our stakeholders. Further, we plan to continue to maintain a significant portion of merchant power in our portfolio to take advantage of favourable prices in the electricity spot market. Sales on merchant basis include sale of power under PPAs in which the tariff commitments are for a period of less than one year and on spot basis. We believe that due to the significant power deficit in India, the sale of power on merchant basis currently leads to better tariff realisations. By selling power both on merchant basis and through long-term agreements, we lock in varying proportions of our power for sale in the medium and long term. This allows us to mitigate our off-take risk, while enabling us to sell a portion of our power on merchant basis, which is currently being sold at higher tariffs than power sold under long term PPAs. We have also applied for the grant of an interstate power trading license for selling power generated at our power projects on merchant basis.

Continue to retain, recruit and train qualified personnel

Our operations require highly-skilled, qualified and experienced power project management and mining personnel. We intend to focus on hiring additional qualified personnel and continuously upgrading their skills and knowledge. In order to achieve this, we provide our employees with the opportunity to undertake offsite training courses and we periodically offer in-house training programs to our employees on diversity management, performance management and assessment and corporate social responsibility. We believe that these training programs will enable us to develop the highly-skilled and experienced project management personnel necessary to have well-run operations at our power projects.

Summary of Our Power Projects Under Development

Project Name, Location	Beneficial Interest	Proposed Installed Capacity; Technology	Procurement Status	Fuel Supply Status	Off-take Arrangement Status	Expected Commissioning Date of First Unit, Expected Date for Project to be Fully Commissioned	Estimated Project Cost	Amount Spent
MIHAN Power Project, Nagpur, Maharashtra	74.00%	271.6 MW (four units of 61.5 MW and 16 back-up DG sets aggregating 25.6 MW); Coal-fired, sub-critical Back-up DG sets	EPC contract awarded to APRL	Commitment Guarantee provided to Western Coalfields for obtaining letter of assurance for Grade E coal	MADC has guaranteed a minimum off-take for 25 MW PPA signed with Reliance Infrastructure for 55 MW PPA signed with Tata Power for sale within Maharashtra to MSEDCL for 54 MW ⁽¹⁾ PPA signed with Tata Power for sale outside of Maharashtra for 54 MW ⁽²⁾ PPA signed with Reliance Infrastructure for infirm power PPA signed with Tata Power for sale of available power of up to 246 MW on power exchanges Letter of intent with RETL for sale of 54 MW of power to MSEDCL ⁽¹⁾	January 2011, September 2011	₹ 13,821.50 million	₹ 13,777.49 million as of March 27, 2011
Chandwa Power Project, Latehar, Jharkhand	48.99%	1,080 MW (four units of 270 MW); Coal-fired, sub-critical	EPC contract awarded to APRL	Fuel supply agreement signed with Corporate Ispat for entire fuel requirement of coal, less fuel obtained from other sources Letter of assurance for	PPA signed with Lanco for 540 MW (net of auxiliary energy consumption and transmission losses incurred until the delivery point)	September 2012, April 2014	₹ 60,820.00 million	₹ 21,038.90 million as of May 1, 2011

Project Name, Location	Beneficial Interest	Proposed Installed Capacity; Technology	Procurement Status	Fuel Supply Status	Off-take Arrangement Status	Expected Commissioning Date of First Unit, Expected Date for Project to be Fully Commissioned	Estimated Project Cost	Amount Spent
				coal linkage obtained from Central Coalfields for 1.99 MMTPA of Grade E coal	Government of Jharkhand has first right of refusal on up to 25.0% of the power delivered to the system by the power project			
Banka Power Project, Banka, Bihar	94.40% ⁽³⁾	1,320 MW (two units of 660 MW); Coal-fired, super-critical	EPC contract awarded to APRL	Mahuagarhi Coal Block with estimated total coal reserves of 220 MMT allotted in 50:50 Joint Venture with CESC	-	June 2014, October 2014	₹ 74,000.00 million	₹ 10,601.93 million as of May 1, 2011

(1) Valid until June 30, 2011

(2) AMNEPL is no longer supplying power under this agreement as a result of the MADC's letter declining consent to AMNEPL to sell power outside of Maharashtra.

(3) Our Company currently holds 94.40% of the outstanding equity interest of JIPL. Pursuant to a shareholders agreement dated October 29, 2010, our Company will hold 96.17% of the outstanding equity interest in JIPL upon the completion of anticipated equity contributions from the shareholders of JIPL.

271.6 MW MIHAN Power Project

Introduction

The MIHAN Power Project is a coal-fired power project located near Khaire Khurd village in Nagpur district, Maharashtra, with four sub-critical coal-fired generating units of 61.5 MW each located near the MIHAN SEZ Area, and 16 back-up DG sets aggregating 25.6 MW capacity, located within the MIHAN SEZ Area, aggregating to an installed capacity of 271.6 MW. The power project is being developed by AMNEPL, our Subsidiary, of which we control 74.0% of the shareholding (23.0% of the outstanding equity shares are held by our Company and 51.0% are held jointly by our Company as a beneficial and second holder, with AIL as the first holder). The first, second and third units of 61.5 MW each were commissioned in January, May and April 2011, respectively. The fourth unit is expected to be commissioned in July 2011. The entire power project, including the back-up DG sets and transmission line, is expected to be fully commissioned by September 2011. The MIHAN Power Project has an estimated development cost of ₹ 13,821.50 million. As of March 27, 2011, AMNEPL has spent approximately ₹ 13,777.49 million for developing the MIHAN Power Project.

The MIHAN Power Project is located at a distance of approximately 8.5 kilometres from the Nagpur city.

Concession Agreement with MADC

We have entered into a concession agreement with MADC on November 7, 2007, as amended, to develop and operate a power project for a term of 33 years from the effective date of January 7, 2009. Under the terms of this concession agreement, consumers in the MIHAN SEZ Area have first priority in receiving power produced from the power project and other consumers in the MIHAN Area have second priority. The excess power may be sold to any third party for consumption in the state of Maharashtra, subject to certain conditions, for details, see “Description of Key Contracts” on page 151. If AMNEPL fails to achieve commercial operations within three months after the scheduled commercial operation date, abandons construction of the power project for a period of 30 consecutive days before achieving commercial operations or fails to construct the power project in a diligent manner for a period of 30 consecutive days before achieving commercial operations, it shall constitute an event of default. In addition, if AMNEPL fails to supply power to consumers in the MIHAN Area for a consecutive period of 87 hours in one year, the failure shall constitute an event of default. Further, if the actual capacity at the MIHAN Power Project is lower than the declared capacity, AMNEPL is required to pay liquidated damages to MADC in the amount of ₹ 25.00 million for every MW of such shortfall or fraction thereof. AMNEPL is also required to build, operate and maintain the MIHAN Power Project as well as operate and maintain the transmission and distribution network provided by MADC within the MIHAN Area. On January 7, 2042 or upon the termination of the concession agreement, AMNEPL is required to transfer the MIHAN Power Project to MADC, unless the term of the concession agreement has been extended by mutual agreement. Pursuant to the terms of the concession agreement with MADC, AMNEPL is required to complete construction of the MIHAN Power Project by August 7, 2011, after taking into account any applicable grace periods. Every day's delay beyond May 7, 2011, the scheduled construction completion date in the Concession Agreement, makes us liable for payment of liquidated damages to MADC of ₹ 1.2 million multiplied by the capacity price per unit (which is ₹ 1.17), subject to a cap of 10 % of the total project cost. We currently expect to complete construction of the MIHAN Power Project by September 30, 2011. For details, see “Risk Factors – Any disruption in the development or operation at one or more of our projects could adversely affect our financial condition and results of operations” on page 16.

Under the terms of the concession agreement, MADC is required to lease land to AMNEPL for development of the main power project area and for construction of railway siding for coal transportation. MADC is also required to ensure water supply and to assist AMNEPL in obtaining various approvals, such as environmental clearance from the MoEF, right of way approval for construction of transmission lines and a no objection certificate from the Maharashtra Pollution Control Board, obtaining electricity for construction and commissioning of the power project and executing a fuel supply agreement. MADC may terminate the concession agreement in case of certain events of default, such as sale of power to unauthorized third parties and abandonment of the facility without prior written consent from MADC. For details, see “Risk Factors – The sale of power to certain third parties by AMNEPL was not in compliance with the Concession Agreement and lease deeds” on page 14. For further details regarding the concession agreement, see “Description of Certain Key Contracts” on page 151.

Financing

The total project cost of the MIHAN Power Project is expected to be approximately ₹ 13,821.50 million. The power project is expected to be financed through a 20.0% equity contribution of ₹ 2,764.30 million by the Company and MADC, with the remaining 80.0%, or ₹ 11,057.20 million, provided through secured debt financing. The equity contribution of ₹ 2,770.10 million has been paid by the Company and MADC. The balance financing requirement of approximately 80.0% has been obtained through secured debt financing from lenders, as follows:

AMNEPL has entered into a common senior Rupee loan agreement dated July 2, 2009, as amended, for availing financing of ₹ 5,280.40 million from a syndicate of lenders comprising of Axis Bank Limited, Bank of Maharashtra, Indian Bank, State Bank of Hyderabad, State Bank of Travancore, UCO Bank and Vijaya Bank. As of March 27, 2011, we have drawn ₹ 5,271.16 million in principal amount (including under a letter of credit), which remains outstanding.

AMNEPL has entered into an additional common senior Rupee loan agreement dated March 12, 2010 for availing financing of ₹ 4,104.60 million from a syndicate of lenders comprising of Axis Bank Limited, Bank of India, Bank of Maharashtra, SREI Infrastructure Finance Limited, State Bank of Hyderabad, State Bank of Mysore, State Bank of Travancore, UCO Bank and Vijaya Bank. In a deed of assignment dated November 11, 2010, SREI Infrastructure Finance Limited assigned its loan to State Bank of Mysore. As of March 27, 2011, we have drawn ₹ 4,061.28 million in principal amount, which remains outstanding.

AMNEPL has entered into a subordinate Rupee loan agreement dated July 2, 2009, as amended, for availing financing of ₹ 686.00 million from Axis Bank Limited. As of March 27, 2011, we have drawn ₹ 686.00 million in principal amount (including under a letter of credit), which remains outstanding.

AMNEPL has entered into a foreign currency term loan agreement dated October 30, 2009, as amended, for availing up to US\$ 20.86 million from India Infrastructure Finance Company (UK) Limited. As of March 27, 2011, we have drawn US\$ 19.69 million in principal amount, which remains outstanding.

AMNEPL has recently entered into an agreement of loan of overall limit dated June 24, 2011, for up to Rs. 290.00 million, with State Bank of Hyderabad. AMNEPL has received sanction letters from Axis Bank Limited, State Bank of Mysore, State Bank of Travancore, Vijaya Bank, Bank of India, Bank of Maharashtra, Indian Bank and UCO Bank for availing working capital facility aggregating to ₹ 910.00 million and a bank guarantee limit aggregating to ₹ 2,520.00 million. AMNEPL is required to comply with customary pre-disbursement conditions. As of March 27, 2011 we have drawn ₹ 304.48 million in principal amount, which remains outstanding. For further details regarding our indebtedness, see “Financial Indebtedness” on page 381.

Procurement/Implementation

AMNEPL awarded the EPC contracts for setting up of the MIHAN Power Project in the configuration of three generating units of 50 MW each and a 25.0 MW back-up DG set to APRL on July 4, 2008. These contracts were amended on November 25, 2008 and May 25, 2009, including for a change in configuration to four generating units of 61.5 MW each and 16 back-up DG sets aggregating 25.0 MW. The supply contracts were further amended on September 9, 2009 and on January 1, 2010. The EPC contracts have an aggregate contract price of ₹ 10,440.00 million. APRL has in turn awarded the BTG contract to DF Power Systems Private Limited and entered into a number of contracts with suppliers for machinery and equipment to implement the power project. AMNEPL has not amended the EPC contracts further, however, 16 back-up DG sets aggregating 25.6 MW are currently being installed at the MIHAN Power Project. For further details regarding procurement and implementation contracts, see “Description of Certain Key Contracts” on page 151.

Supply Contracts

On July 4, 2008, as amended, AMNEPL entered into an onshore supply contract and an offshore supply contract with APRL for a total contract price of ₹ 7,625.70 million. The scope of work under the supply contracts encompasses the supply of equipment for the boilers, turbines and generators. The scope of work also includes the supply of the balance of plant and machinery required to be installed. AMNEPL is required to make payment of bonuses for work completed ahead of schedule in the amount of 0.25% of 25.0% of the contract price for every week of early completion of each unit, subject to an overall cap of 10.0% of the contract price.

Erection and Commissioning Contract

On July 4, 2008, as amended, AMNEPL entered into a contract for onshore erection and commissioning with APRL for a contract price of ₹ 1,008.90 million. The scope of services includes construction, technical, engineering and project management services for the construction, completion, start-up and commissioning of the power project. AMNEPL is required to make payment of bonuses for work completed ahead of schedule in the amount of 0.25% of 25.0% of the contract price for every week of early completion of each unit, subject to an overall cap of 10.0% of the contract price.

Civil and Structural Works Contract

On July 4, 2008, as amended, AMNEPL entered into a contract for civil and structural works with APRL for a contract price of ₹ 1,805.40 million. The scope of work includes the civil construction, structural design and structural construction for the construction, completion, start-up and commissioning of the power project. AMNEPL is required to make payment of bonuses for work completed ahead of schedule in the amount of 0.25% of 25.0% of the contract price for every week of early completion of each unit, subject to an overall cap of 10.0% of the contract price.

Regulatory Approvals

On September 19, 2008, MADC received environmental approval from the MoEF to establish a power project of two units of 50 MW each. This approval was amended on March 5, 2009 to permit a change of configuration to two units of 61.5 MW each, and the approval was transferred to AMNEPL pursuant to a letter from the MoEF dated July 13, 2010. MADC also received environmental clearance from the Government of Maharashtra Environmental Department on March 20, 2010 for the development of an additional two units of 61.5 MW each, and the approval was transferred to AMNEPL pursuant to a letter from the Government of Maharashtra dated July 22, 2010. AMNEPL received consent to establish a thermal power project of four units of 61.5 MW each from the Maharashtra Pollution Control Board pursuant to a letter dated June 8, 2010. AMNEPL received consent to operate two units of 61.5 MW each from the Maharashtra Pollution Control Board in a letter dated January 10, 2011. MADC received environmental clearance from the Government of Maharashtra Environmental Department on June 23, 2010 for development of back-up DG sets aggregating 25.6 MW, which was amended on July 22, 2010 to transfer the clearance in the name of AMNEPL. AMNEPL received a consent to operate five 1.6 MW DG sets on January 27, 2011. AMNEPL has received a consent to operate the third and fourth units on a trial basis. In addition, we have received a letter from the MPCB that states that our application is under consideration.

We received a letter from MADC dated May 7, 2008 for the supply of 16 million litres of water per day to the power project, which letter was amended on December 3, 2009 to increase the supply of water to 22.6 million litres per day. We also received a grant for connectivity to the intra-state transmission system of 200 MW for the Wardha – Ambazari Line by the Maharashtra State Electricity Transmission Company Limited on June 7, 2008. We received another grant for connectivity on April 24, 2009 for the supply of 50 MW for the Butibori – Wardha Line, to be operative until the Wardha – Ambazari Line is complete. However, by a letter dated June 14, 2011, MSETCL has allowed AMNEPL to retain the Butibori – Wardha Line on permanent basis. The Government of Maharashtra has, in an order dated March 30, 2011 granted AMNEPL the power to construct a dedicated 220 kV transmission line. AMNEPL has entered into an agreement dated September 21, 2010 with the Maharashtra State Electricity Distribution Company Limited (“MSEDCL”) to supply up to a maximum of 16,000 kVa of power to AMNEPL. We received a no objection certificate dated April 6, 2009 from the Airport Authority of India for construction of a chimney to a height of 415 meters above mean sea level. We also received a letter dated September 2, 2009 from

SEEPZ Special Economic Zone, Ministry of Commerce and Industry approving our setting up certain operations forming part of the power project within the MIHAN SEZ.

Fuel Supply

The primary fuel for the power project will be coal. The expected consumption of coal for the MIHAN Power Project is approximately 1.05 MMTPA, with a GCV of 4,700 kcal/kg at 90.0% PLF. On April 29, 2010, Western Coalfields, a subsidiary of Coal India Limited, issued a letter to MADC requiring payment of a commitment guarantee of ₹ 113.34 million in order to issue a letter of assurance for procurement of the supply of coal, which has since been furnished by AMNEPL. Upon payment of such guarantee, Western Coalfields was expected to provide MADC with a letter of assurance, subject to receipt of certain approvals from the Ministry of Coal and Ministry of Power. In response to MADC's request dated August 11, 2010, the Ministry of Coal has instructed Coal India Limited on June 15, 2011 that the letter of assurance, when issued, be granted to AMNEPL instead of MADC. During the validity period of the letter of assurance, we must complete certain milestones, including completing technical and feasibility studies, acquiring land, receiving environmental clearance from the MoEF, receiving water allocation and achieving financial closure. On October 13, 2010, MADC applied to the Ministry of Power for a change in status of the MIHAN Power Project from a captive power project to an independent power project. Upon completion of the milestones, we expect to enter into a fuel supply agreement with Western Coalfields. In the meantime, we are purchasing coal on spot basis to meet the fuel requirements of MIHAN Power Project.

We are currently sourcing secondary fuel in the form of light diesel fuel oil or heavy fuel oil required for the start up of the coal-fired boilers and operation of the back-up DG sets from local vendors.

Water Supply

The amount of water required for the MIHAN Power Project is estimated to be approximately 22.6 million litres per day. Under the terms of our concession agreement with MADC, MADC is required to ensure water supply to the power project. The power project is expected to utilise water from the Wadgaon Dam located on the Vena River to meet its consumptive and cooling requirements. We received a letter from MADC dated May 7, 2008 for the supply of 16 million litres of water per day to the power project, which letter was amended on December 3, 2009 to increase the supply of water to 22.6 million litres per day. We currently receive our water from MADC, however we do not have a definitive agreement with MADC for the supply of such water.

Power Generation

The main generating equipment of the MIHAN Power Project will consist of four steam turbine generators, four circulating fluidised bed combustion boilers and 16 back-up DG sets.

Off-take Arrangements

Pursuant to the terms of the concession agreement with MADC, AMNEPL is required to build, operate and maintain the MIHAN Power Project for a term of 33 years and supply electricity to the MIHAN SEZ Area at a first-year base tariff of 2.97 kWh, with annual tariff escalation on the basis of the Wholesale Price Index. Under the terms of the concession agreement, MADC has guaranteed a minimum off-take of 25 MW of power. Consumers in the MIHAN SEZ Area have first priority in receiving power produced from the power project and other consumers in the MIHAN Area have second priority. The excess power can be sold to any third party for consumption in the state of Maharashtra. However, AMNEPL is required to give 10 days' notice to MADC of any proposed sale of power outside the MIHAN Area and MADC may refuse permission for such sale of power within seven days of receipt of such notice. After a term of 29 years, MADC will carry out a competitive bidding process to determine a revised base tariff that will come into effect after expiry of the term of 33 years. If we decide to participate in the bidding process, we shall be offered a first right of refusal to the tariff quoted by the most competitive bidder for award of the project.

We entered into a PPA with Reliance Infrastructure dated August 4, 2010 for the supply of 55 MW of power from the scheduled delivery date, April 1, 2011, until March 31, 2014, unless the term is extended by mutual agreement.

The tariffs payable by Reliance Infrastructure for the years ended March 31, 2012, March 31, 2013 and March 31, 2014 are ₹ 5.16 per kWh, ₹ 4.81 per kWh and ₹ 4.35 per kWh, respectively. We were originally required to obtain and maintain certain consents, clearances and permits and commence supply of power by April 1, 2011. However, as affirmed by the MERC order dated May 31, 2011, we are now required to commence supply of power by July 1, 2011. Reliance Infrastructure is required to ensure availability of inter-connection facilities and arrange for the evacuation of power from the power project switchyard to the delivery point and the approval of the MERC for the tariffs. If we are unable to commence the supply of power in a timely manner or are unable to achieve supply of the contracted capacity, we are required to pay liquidated damages to Reliance Infrastructure. In addition, if we fail to commence the supply of power in a timely manner, or if we fail to maintain certain continuous levels of power, Reliance Infrastructure will have the right to terminate the PPA, after providing us with 30 days' written notice.

The validity and other terms of the PPA have been affirmed by the MERC in its order dated May 31, 2011. Pursuant to this order, Reliance Infrastructure has been directed to not terminate the PPA with AMNEPL, and AMNEPL is required to begin the provision of power no later than July 1, 2011. For details, see "Outstanding Litigation and Material Developments" on page 426.

AMNEPL entered into a PPA with Tata Power dated December 24, 2010 for the supply of 54 MW of power to MSEDCL from the scheduled delivery date, January 1, 2011, until June 30, 2011. The tariffs payable by Tata Power for the months of January, February, March, April, May and June, 2011 are ₹ 3.49 per kWh, ₹ 4.03 per kWh, ₹ 4.18 per kWh, ₹ 4.36 per kWh, ₹ 4.46 per kWh and ₹ 3.93 per kWh, respectively. Under the terms of the PPA, Tata Power is required to pay for transmission charges, transmission losses and open access charges incurred beyond the delivery point. If the supply of power from AMNEPL to the MSEDCL is less than 80.0% of the approved open access amount, then AMNEPL is required to pay ₹ 2.00 per kWh to Tata Power for each unit of shortfall. AMNEPL failed to provide agreed quantity of power during March 2011 and April 2011 and consequently, AMNEPL paid a penalty of approximately ₹ 1.34 million and ₹ 0.34 million, respectively to Tata Power.

AMNEPL entered into a short term PPA with Reliance Infrastructure dated September 30, 2010, as further amended, for sale of infirm power one unit of the MIHAN Power Project to Reliance Infrastructure from June 2, 2011 to July 31, 2011. The tariff payable by Reliance Infrastructure is ₹ 1.5 per kWh. Under the terms of the PPA, AMNEPL is required to pay for open access charges, transmission losses and scheduling charges up to the delivery point and Reliance Infrastructure is required to pay for open access charges, transmission losses and scheduling charges beyond the delivery point. AMNEPL is required to pay a 2.0% rebate to Reliance Infrastructure on its energy bill if Reliance Infrastructure makes payment within the period specified in the PPA.

AMNEPL entered into a PPA with Tata Power dated December 29, 2010 for the supply of up to 246 MW of power, subject to confirmation of availability of power by AMNEPL to Tata Power from January 1, 2011 to December 31, 2011. The power is to be sold on the IEX and PXI power exchanges, and AMNEPL is responsible for payment of client membership fees for each exchange. AMNEPL will pay a trading margin of ₹ 0.005 per kWh to Tata Power for power sold through the exchanges. In the event of late payment either party, a 15% per annum pro-rated surcharge will be levied based on the number of days of delay. AMNEPL intends to use this PPA to sell any remaining available power produced by the MIHAN Power Project.

We have received an LOI dated May 4, 2011 for the sale of up to 54 MW power to MSEDCL through Reliance Energy Trading Limited for the period from May 15, 2011 to June 30, 2011. The agreed tariff is ₹ 3.30 per kWh until May 31, 2011 and ₹ 3.45 per kWh from June 1, 2011 to June 30, 2011. If the supply of power from AMNEPL to the MSEDCL is less than 80.0% of the approved open access amount, then AMNEPL is required to pay ₹ 2.00 per kWh to Reliance Energy Trading Limited for each unit of shortfall.

We have also recently halted the supply of power under a PPA with Tata Power for sale of power outside of Maharashtra, in order to comply with MADC's letter dated May 24, 2011, regarding sale of power outside of Maharashtra. As a result, we have paid a penalty of ₹ 0.96 million for the month of May, which was deducted by Tata Power from our bill for that month. In addition, Tata Power has levied, and AMNEPL has paid, a penalty of ₹ 7.78 million for the month of June. For details of this PPA, see "Description of Key Contracts" on page 151. For further details on the termination of this PPA, see "Risk Factors – *Under the terms of our concession agreement and PPAs, we may be required to pay liquidated damages*" on page 21.

Power Evacuation

The power generated from the MIHAN Power Project is being evacuated through two evacuation points. The 220 kV Butibori – Wardha Line, located at a distance of approximately one kilometre from the project site, can evacuate up to 50 MW of power. The second line, the 220 kV Wardha – Ambazari Line, located at a distance of approximately seven kilometres from the project site, can evacuate up to 200 MW of power and was completed on February 21, 2011.

A 220 kV third line, connecting the MIHAN Power Project to the MIHAN Area, is under construction and expected to be commissioned by September 30, 2011. The cost of construction of the three transmission lines is included in the EPC contract awarded to APRL.

Operations and Maintenance

Under the terms of our concession agreement with MADC, we are responsible for operations and maintenance of the power project as well as the transmission and distribution network located in the MIHAN Area. On October 30, 2009, we entered into a service order agreement with NTPC for the amount of ₹ 15.99 million to provide consultancy services for the development of operations and maintenance systems for the MIHAN Power Project.

Property

The land requirement for the MIHAN Power Project is estimated at 315 acres, excluding land required for constructing the railway siding area. The land requirement constitutes the main power project area of 139 acres, back-up DG sets area of 15 acres, railway siding area of a currently undetermined size and ash dyke area of 161 acres. Under the terms of the concession agreement with MADC, MADC will provide us with all land required apart from the ash dyke area of 161 acres. As of May 31, 2011, we have acquired approximately 37 acres from private parties for construction of the ash dyke area and have leased approximately 102 acres from MADC. For details, see “Risk Factors – *Our inability to acquire or lease sufficient land for our projects could adversely affect our business, results of operations and financial condition*” on page 31.

1,080 MW Chandwa Power Project

Introduction

The Chandwa Power Project, also known as the Matrishri Usha Jayaswal Thermal Power Plant, is a coal-fired power project located in Latehar district, Jharkhand, with four sub-critical generating units of 270 MW each, aggregating to an installed capacity of 1,080 MW. The power project will be developed by CPL, a Joint Venture in which we have a 48.99% equity interest. We expect that the first unit of 270 MW will be commissioned by September 2012 and that the project will be fully commissioned by April 2014. The Chandwa Power Project has an estimated development cost of ₹ 60,820.00 million. As of May 1, 2011, CPL has spent approximately ₹ 21,038.90 million for developing the Chandwa Power Project.

The project site is accessible from National Highway 99 and National Highway 75 and is located at a distance of approximately 85 kilometres from the Ranchi airport.

Memorandum of Understanding with the Government of Jharkhand

Corporate Ispat entered into a memorandum of understanding with the Government of Jharkhand on March 26, 2004 for the development of a sponge iron plant, captive coal mines, captive iron ore mines and a ferro alloys plant. An addendum to this memorandum of understanding was entered into on January 22, 2007 to include the development of a 250 MW power project, which was further amended on October 26, 2007 to increase the power project capacity to 1,215 MW.

The Government of Jharkhand is obligated to, among other things, assist us in selecting coal blocks, acquiring land, supplying water, constructing necessary roads, obtaining right of way, making available necessary power during the construction phase of the project, preparing an Environmental Impact Assessment (“EIA”) report, obtaining a no objection certificate from the Jharkhand State Pollution Control Board, obtaining necessary clearances from the Government of India and obtaining and facilitating connection with the PGCIL. We are required to make arrangements for the conduct of an EIA report, bear the costs of resettlement and rehabilitation for the affected families as a result of the development of the area used by the project and give preference to displaced persons in making certain hiring decisions for the recruitment of power project staff. Under the terms of the addendum to the memorandum of understanding with the Government of Jharkhand dated October 26, 2007, the Government of Jharkhand has a first right of claim on up to 25.0% of the power delivered to the PGCIL grid by the power project. We have the right to sell the balance power outside of Jharkhand. We also may supply balance power directly to bulk consumers in Jharkhand. The memorandum of understanding expired on October 26, 2010 and CPL applied for an extension of the term and increase in capacity on September 14, 2010. For details, see “Risk Factors – *The memoranda of understanding that our subsidiaries have entered into with state governments for the development of power projects have expired, and we cannot assure you that such memoranda of understanding will be extended in a timely manner, on terms favourable to us or at all*” on page 24.

Financing

The total project cost of the Chandwa Power Project is expected to be approximately ₹ 60,820.00 million. The power project is expected to be financed through an equity contribution of ₹ 15,200.00 million by the Company, Corporate Ispat and the Net Proceeds of the Issue, with the remaining amount of ₹ 45,620.00 million, to be financed through secured debt borrowings. As of May 1, 2011, Corporate Ispat has paid ₹ 2,975.61 million as equity contribution, the Company has paid ₹ 1,923.07 million as equity contribution and ₹ 40.00 million as share application money and Manoj Jayaswal and members of his family have paid ₹ 0.02 million as equity contribution. The balance financing requirement of approximately 75.0% has been obtained through secured debt borrowings from a consortium of lenders, as follows:

CPL has entered into a common loan agreement for availing financing of ₹ 20,300.00 million from a syndicate of lenders comprising of Allahabad Bank, Andhra Bank, India Infrastructure Finance Company Limited, Indian Bank, Rural Electrification Corporation Limited, State Bank of Hyderabad, State Bank of India, State Bank of Patiala and Union Bank of India. As of April 30, 2011, we have drawn ₹ 9,317.99 million in principal amount, which remains outstanding.

CPL has entered into a subordinate loan agreement to avail subordinated debt of ₹ 1,450.00 million from a syndicate of lenders comprising of Rural Electrification Corporation Limited and State Bank of India. As of April 30, 2011, we have drawn ₹ 646.08 million in principal amount, which remains outstanding.

CPL has entered into a common loan agreement with State Bank of India for ₹ 6,000.00 million. Pursuant to an amendment to the common loan agreement dated May 13, 2011, a related underwriting agreement entered into between CPL and State Bank of India, dated May 13, 2011, and a deed of accession dated May 13, 2011, additional lenders have become parties to CPL’s common loan agreement with State Bank of India and the amount sanctioned under the definitive agreements has been increased to ₹ 11,300.00 million. As of April 30, 2011, we have drawn ₹ 4,450.00 million in principal amount, which remains outstanding. Further pursuant to the underwriting agreement, the balance debt requirement of ₹ 12,570.00 million has been underwritten by SBI, which is subject to certain conditions. For details see “Financial Indebtedness” on page 381. Pursuant to deeds of novation with respect to each of Life Insurance Corporation of India, Punjab National Bank, State Bank of Bikaner and Jaipur, State Bank of Patiala and State Bank of Travancore and entered into between CPL and State Bank of India, each of the new lenders has been assigned rights and obligations as set out in the common loan agreement dated March 28, 2011, as amended, as consideration for providing a portion of the loaned amount.

CPL has received bank guarantee facilities from Axis Bank for an amount of ₹ 240.00 million and ₹ 197.94 million of which the entire amount of the facilities has been availed as of April 30, 2011. CPL has also received bank guarantee facilities from State Bank of India for ₹ 440.00 million and ₹ 1,500.00 million. CPL has entered into a hedge facility agreement with State Bank of India, dated March 28, 2011, where CPL has been sanctioned a sum of

₹ 340.00 million with a maximum notional amount of ₹ 3,320.00 million for the purpose of hedging exposure to foreign currency fluctuations.

For more information on our indebtedness, see “Financial Indebtedness” on page 381.

Procurement/Implementation

For the development of the Chandwa Power Project, CPL awarded EPC contracts on December 17, 2009, as amended, to APRL for a total contract price of ₹ 42,360.00 million. APRL has in turn awarded BTG contracts to BHEL and has entered into a number of contracts with suppliers for machinery and equipment for implementation of the power project.

Supply Contract

On December 17, 2009, as amended, CPL entered into a supply contract with APRL for a contract price of ₹ 31,560.00 million, which is the aggregate of a first set contract price of ₹ 14,610.00 million and a second set contract price of ₹ 16,950.00 million. The scope of work under the supply contracts encompasses the supply of four generating units of 270 MW each, including any additional or incidental materials not specifically mentioned in the contract that are necessary in order to ensure that the plant and equipment are operable, to enable other contractors to achieve their performance guarantees, are those materials which can be reasonably inferred from the contract or are those which a competent and diligent supplier ought to have inferred from the contract. CPL is required to pay a bonus of 0.35% of the first or second set contract price for each week a generating unit is completed before the scheduled completion date, subject to a maximum of 7.5% of the first or second set contract price, as applicable.

Erection and Commissioning Contract

On December 17, 2009, as amended, CPL entered into a contract for onshore erection and commissioning with APRL for a contract price of ₹ 5,290.00 million, which is the aggregate of a first set contract price of ₹ 2,450.00 million and a second set contract price of ₹ 2,840.00 million. The scope of work includes erection and commissioning services, including providing any additional services necessary to ensure that all equipment and materials are operable and capable of performing in accordance with technical specifications, to enable the units to achieve the performance guarantees as set forth in civil and structural works contract and which can reasonably be inferred from the contract or are those services which a competent and diligent contractor ought to have inferred from the contract. CPL is required to pay a bonus of 0.35% of the first or second set contract price for each week a generating unit is completed before the scheduled completion date, subject to a maximum of 7.5% of the first or second set contract price, as applicable.

Civil and Structural Works Contract

On December 17, 2009, as amended, CPL entered into a contract for civil and structural works with APRL, for a contract price of ₹ 5,510.00 million, which is the aggregate of a first set contract price of ₹ 2,550.00 million and a second set contract price of ₹ 2,960.00 million. The scope of work includes services required for civil and structural works, including any additional materials necessary to ensure that the works are operable and capable of performing in accordance with the technical specifications, to enable other contractors to achieve the performance guarantees as set forth in their respective contracts and those materials which can be reasonably inferred from the contract or which a competent and diligent contractor ought to have inferred from the contract. CPL is required to pay a bonus of 0.35% of the first or second set contract price for each week a generating unit is completed before the scheduled completion date, subject to a maximum of 7.5% of the first or second set contract price, as applicable.

Regulatory Approvals

Regulatory Approvals for First Two Generating Units

For the first two generating units of the Chandwa Power Project, on May 1, 2008, Corporate Ispat received environmental approval from the MoEF to establish a power project of four units of 125 MW each, which was amended on December 19, 2008 to permit a change of configuration to four units of 135 MW each. This approval was amended on November 16, 2009 to permit a change of configuration to two units of 270 MW each, and the

approval was transferred to CPL pursuant to a letter from the MoEF dated January 28, 2010. Corporate Ispat received a no objection certificate dated December 6, 2006 from the Jharkhand State Pollution Control Board for establishment of a 500 MW power project. The beneficiary under the no objection certificate was changed to CPL on August 26, 2009. The no objection certificate is valid until December 31, 2011. We have also received a letter from Jharkhand State Pollution Control Board dated August 26, 2009 for setting up 540 MW power plant. We have also applied to the Ranchi East Forest Division on March 30, 2010 for right of way for the construction of transmission lines through forest areas. We were granted extension of a 400 kV Ranchi substation line by the PGCIL on February 18, 2008. We entered into an agreement for long term access with PGCIL dated January 4, 2011. We received a no objection certificate received dated March 4, 2010 from the Airports Authority of India for construction of a chimney to a height of 814.7 meters above mean sea level, which is valid until March 3, 2017.

Regulatory Approvals for Latter Two Generating Units

For the latter two generating units of the Chandwa Power Project, we have received environmental approval from the MoEF for the development of two generating units of 270 MW each on November 11, 2010. On September 24, 2010, we received a no objection certificate from the Jharkhand State Pollution Control Board for the construction of two generating units of 270 MW each, which was valid for six months. On December 20, 2010, we applied for an extension of such certificate, which has not yet been received. In addition, we received a no objection certificate dated July 12, 2010 from the Airports Authority of India for construction of a chimney to a height of 824.182 meters above mean sea level, which is valid until July 11, 2017.

Regulatory Approvals for Entire Power Project

For the supply of water for the entire requirement of the power project, the Central Water Commission approved drawal of up to 26.4 million gallons of water per day from the Damodar River on September 11, 2008. Pursuant to a letter dated March 17, 2007, CPL has applied to the Ministry of Power, Government of India to develop the Chandwa Power Project under the Mega Power Project Policy of the Government of India. CPL has not yet received such approval.

Fuel Supply

The primary fuel for the Chandwa Power Project will be coal. The Chandwa Power Project is expected to have coal consumption of approximately 4.57 MMTPA with an average GCV of 4,200 kcal/kg at 90.0% PLF.

We received a letter of assurance dated September 4, 2010 and valid for 24 months from Central Coalfields for the supply of 1.99 MMTPA of Grade E coal to be used for the two units of the Chandwa Power Project. Under the terms of the letter of assurance, the price of coal shall be as per the price notified by Coal India Limited from time to time. In addition, we are required to complete certain milestones within 24 months of the date of issue of the letter of assurance. In the event that we do not complete any of the required milestones and fail to furnish an additional commitment guarantee, or if we fail to fulfill all the required milestones, Central Coalfields shall have the right to cancel or withdraw the letter of assurance. In addition, if we fail to sign the fuel supply agreement with Central Coalfields within three months of the expiry of the letter of assurance or satisfactory achievement of the required milestones, Central Coalfields shall have the right to encash the commitment guarantee.

CPL has also entered into a fuel supply agreement dated March 11, 2009, as amended, pursuant to which Corporate Ispat will supply the amount of coal required to operate the power project at 90.0% PLF, less any fuel obtained by CPL from other sources. However, CPL is obligated to purchase the minimum quantity of fuel required to operate 540 MW at 85.0% PLF, for a period of 25 years from the date of first delivery of coal. Pursuant to the terms of the fuel supply agreement with Corporate Ispat, within 12 months of the effective date or such other extended period as may be mutually agreed upon, we are required to achieve financial closure of the power project, provide a security deposit, issue notice to our contractors to proceed with construction of the power project and enter into a PPA. We are also required to receive and pay for, or pay for if not taken, 100.0% of the contracted quantity of coal, less any quantity not made available during the operating year by Corporate Ispat. If we fail to make payment or part thereof upon the expiry of 60 days from the due date for such payment, it shall constitute an event of default. It shall also constitute an event of default if we fail to receive coal for three months after the first delivery date or any extension thereof. For further details of our fuel supply contracts, see "Description of Certain Key Contracts" on page 151.

Secondary fuel in the form of light diesel fuel oil or heavy fuel oil will be required for the start up of coal-fired boilers, which we intend to source from local vendors.

Water Supply

The amount of water required for the Chandwa Power Project is estimated to be approximately 25.1 million gallons per day. The power project is expected to utilise water from the Damodar River upstream from Panchet Reservoir, which is located at a distance of approximately 25 kilometres from the project site. On September 11, 2008, we received approval from the Central Water Commission for drawal of up to 26.4 million gallons of water per day, however we have not yet entered into a definitive agreement for the supply of such water.

Power Generation

The main generating equipment of the Chandwa Power Project will consist of four steam turbine generators and four pulverised coal-fired boilers.

Off-take Arrangements

For the first two generating units of the Chandwa Power Project, we have entered into a PPA dated April 14, 2010 with Lanco for a term of 25 years from the date of commercial operation of these two generating units of the Chandwa Power Project. Pursuant to the PPA, Lanco is required to purchase the entire capacity of the first two generating units of the Chandwa Power Project (net of auxiliary energy consumption and transmission losses incurred until the delivery point) at a base tariff ranging from ₹ 2.60 per kWh to ₹ 3.50 per kWh. The total tariff shall consist of capacity charges, energy charges, an incentive charge and a penalty charge for providing less than 85.0% of the contracted capacity for a period of 12 months. Under the PPA, Lanco is obligated to purchase or pay for 85.0% of the declared capacity of the power project. If Lanco does not arrange for off-take of the entire power produced at the power project, we may sell the excess power to a third party.

Under the PPA, we may designate up to 100 MW of the contracted capacity to be sold by Lanco to a third party designated by us with notice of at least 30 days to Lanco, provided such designation will not in any manner conflict with or cause Lanco to contravene any existing agreements for the onward sale of power. Lanco must obtain requisite open access to ensure evacuation of power to the delivery point as well as assist us in any application we make for open access.

Power Evacuation

The Chandwa Power Project will be connected to the PGCIL substation at Namkum Grid for evacuation of up to 540 MW of power, which is located at a distance of approximately 108 kilometres from the power project site. Construction of the transmission line for such purpose is under development and is expected to be completed by July 2012. We entered into a bulk power transmission agreement dated January 4, 2011 with the PGCIL for evacuation of 480 MW of power from the two units of the Chandwa Power Project. We have also entered into a bulk power transmission agreement with the PGCIL for long term open access for evacuation through a 400 kV transmission line of up to 480 MW of power from the latter two generating units of the Chandwa Power Project to a common pooling station to be constructed by PGCIL at a distance of approximately 20 kilometres from the Chandwa Power Project.

Operations and Maintenance

We are responsible for the operations and maintenance of the power project.

Property

For the Chandwa Power Project, we require approximately 768 acres of land, of which approximately 460 acres has been acquired, as of May 31, 2011.

1,320 MW Banka Power Project

Introduction

The Banka Power Project is a coal-fired power project with two super-critical generating units of 660 MW each, aggregating to an installed capacity of 1,320 MW. The power project will be developed by our Subsidiary, JIPL, at Siriya village in Banka district, Bihar. Our Company currently holds 94.40% of the outstanding equity interest of JIPL. Pursuant to a shareholders agreement dated October 29, 2010, our Company will hold 96.17% of the outstanding equity interest in JIPL upon the completion of the anticipated equity contributions from the shareholders of JIPL. We expect that the first unit of 660 MW will be commissioned by June 2014 and that the project will be fully commissioned by October 2014. The power project has an estimated development cost of ₹ 74,000.00 million. As of May 1, 2011, JIPL has spent approximately ₹ 10,601.93 million for developing the Banka Power Project.

The project site is accessible from State Highway 19 and is located at a distance of approximately 14 kilometres from Mandar Hill Railway Station.

Memorandum of Understanding with BSEB

JIPL entered into a memorandum of understanding with the BSEB on October 17, 2007 for the development of a 1,215 MW power project. This memorandum of understanding was amended on December 29, 2008 to increase the capacity to 2,640 MW. Under the memorandum of understanding with the BSEB, the BSEB has a right of first refusal on up to 25.0% of the maximum power produced from the Banka Power Project. JIPL has the right to sell the balance power outside the state of Bihar, and if BSEB does not avail its first right of claim, JIPL has the right to sell the entire power generated outside the state of Bihar. The memorandum of understanding expired on March 1, 2011. For details, see “Risk Factors – *The memoranda of understanding that our subsidiaries have entered into with state governments for the development of power projects have expired, and we cannot assure you that such memoranda of understanding will be extended in a timely manner, on terms favourable to us or at all*” on page 24.

Financing

The total project cost for the Banka Power Project is expected to be ₹ 74,000.00 million. The power project is expected to be financed through a 20.0% equity contribution of ₹ 14,800.00 million by the Company and other shareholders and the Net Proceeds of the Issue, with the remaining 80.0%, or ₹ 59,200.00 million, to be financed through secured debt borrowings. As of May 1, 2011, the Company and other shareholders have paid ₹ 3,366.10 million of the equity contribution.

JIPL has received a sanction letter for underwriting of ₹ 44,400.00 million from Axis Bank Limited dated July 19, 2010, as amended. Prior to disbursement of the loan, JIPL is required to satisfy certain conditions, such as entering into contracts for the supply of equipment for the power project and appointing technical, financial and executive personnel for key project development positions. In addition, during the tenure of the loan, the Company is required to supply the entire estimated equity contribution for development of the power project, retain management control of JIPL, retain majority board representation of the board of JIPL, meet any project cost overrun up to 10.0% over the estimated project cost, meet any shortfall in the resources of JIPL below the estimated project cost and facilitate the execution of a mining lease agreement for the Mahuagarhi coal block within 12 months of the first disbursement.

In connection with the sanction letter from Axis Bank dated July 19, 2010, as amended JIPL has received a sanction letter dated January 12, 2011 from Axis Bank Limited for a letter of credit facility of ₹ 29,600.00 million, of which ₹ 5,000.00 million is in the form of bank guarantee facility as a sub-limit of the letter of credit. Accordingly, a letter of credit facility has been signed on January 15, 2011. As of April 30, 2011, ₹ 4,082.00 million (including ₹ 12.00 million in bank guarantees) in principal amount remains outstanding.

JIPL has also received a sanction letter for underwriting of ₹ 14,800.00 million from UCO Bank dated September 14, 2010. Prior to disbursement of the loan, JIPL is required to satisfy certain conditions, such as entering into BOP contracts for the power project and appointing technical, financial and executive personnel for key project development positions. In addition, during the tenure of the loan, the Company is required to supply the entire

estimated equity contribution for development of the power project, retain management control of JIPL, retain majority board representation of the board of JIPL, meet any project cost overrun up to 10.0% over the estimated project cost, meet any shortfall in the resources of JIPL below the estimated project cost and facilitate the execution of a mining lease agreement for the Mahuagarhi coal block within 12 months of the first disbursement.

In addition, JIPL received a sanction letter dated September 29, 2010 from Punjab National Bank for syndication/underwriting of ₹ 14,800.00 million, including a term loan of ₹ 5,000.00 million. Prior to disbursement of the loan, JIPL is required to satisfy certain conditions, such as entering into BOP contracts for the power project and appointing technical, financial and executive personnel for key project development positions. In addition, during the tenure of the loan, the Company is required to supply the entire estimated equity contribution for development of the power project, retain management control of JIPL, retain majority board representation of the board of JIPL, meet any project cost overrun up to 10.0% over the estimated project cost, meet any shortfall in the resources of JIPL below the estimated project cost and facilitate the execution of a mining lease agreement for the Mahuagarhi coal block within 12 months of the first disbursement. As of April 30, 2011, ₹ 3,000.00 million in principal amount remains outstanding.

JIPL received a sanction letter dated January 19, 2011 from India Infrastructure Finance Company Limited for a term loan of ₹ 5,250.00 million. Prior to disbursement of the loan, JIPL is required to satisfy certain conditions, such as tying up the entire means of financing for the power project and signing a fuel supply agreement with MCCPL. In addition, during the tenure of the loan, JIPL is required to constitute a project management committee and furnish the credit rating of the project debt.

JIPL has received an in-principle sanction letter dated March 31, 2011 from Housing & Urban Development Corporation Limited for financing of ₹ 5,000.00 million. Prior to the proposal being considered for a final sanction letter, JIPL is required to tie up at least 50.0% of the total debt requirement of the power project.

JIPL has received a sanction letter dated April 21, 2011 from State Bank of Bikaner and Jaipur for a term loan of ₹ 500.00 million. Prior to disbursement of the loan, JIPL is required to satisfy certain conditions, such as tying up the entire means of financing for the power project and signing a fuel supply agreement with MCCPL.

JIPL has received a sanction letter dated April 28, 2011 from Bank of India for a term loan of ₹ 3,000.00 million with letter of credit sub-limit of ₹ 3,000.00 million. Prior to disbursement of the loan, JIPL is required to satisfy certain conditions, such as tying up the entire means of financing for the power project and signing a fuel supply agreement with MCCPL. For more information on our indebtedness, see “Financial Indebtedness” on page 381.

Procurement/Implementation

For the development of the Banka Power Project and the 1,320 MW Power Project at Banka, Bihar, JIPL awarded EPC contracts for four units of 660 MW on December 13, 2010, as amended, to APRL for a total contract price of the sum of ₹ 72,268.00 million and US\$ 911.34 million.

Supply Contracts

On December 13, 2010, JIPL entered into an onshore supply contract and an offshore supply contract with APRL for a total contract price of ₹ 93,500.00 million. The offshore supply contract was amended on April 1, 2011 to amend the off-shore contract price to the sum of ₹ 4,658.00 million and US\$ 911.34 million. The scope of work under the supply contracts encompasses the supply of equipment for the boilers, turbines and generators. The scope of work also includes the supply of the balance of plant and machinery required to be installed.

Erection and Commissioning Contract

On December 13, 2010, JIPL entered into a contract for onshore erection and commissioning with APRL for a contract price of ₹ 4,250.00 million. The scope of services includes construction, technical, engineering and project management services for the construction, completion, start-up and commissioning of the power project. JIPL is required to make payment of bonuses for work completed ahead of schedule in the amount of 0.5% of the contract

price for every week of early completion of each unit, subject to an overall cap of 5.0% of the contract price.

Civil and Structural Works Contract

On December 13, 2010, JIPL entered into a contract for civil and structural works with APRL for a contract price of ₹ 16,440.00 million. The scope of work includes the civil construction, structural design and structural construction for the construction, completion, start-up and commissioning of the power project. JIPL is required to make payment of bonuses for work completed ahead of schedule in the amount of 0.5% of the contract price for every week of early completion of each unit, subject to an overall cap of 5.0% of the contract price.

Regulatory Approvals

We have obtained a no objection certificate from the Bihar State Pollution Control Board on December 2, 2009 for the development of the power project. We received a water approval letter from the Government of Bihar dated March 6, 2009 for drawal of up to 85 million cubic meters of water from the Chandan Dam. Terms of reference for development of a 2,640 MW power project were issued by the MoEF on June 3, 2009. We have submitted the EIA report for this project. We received clearance on April 20, 2009 from the Airports Authority of India to construct a chimney to a height of 418 meters above mean sea level.

For the development of the Mahuagarhi coal block, which is expected to supply coal to the Banka Power Project, MCCPL received terms of reference from the MoEF pursuant to a letter dated October 28, 2010.

Fuel Supply

The primary fuel for the Banka Power Project will be coal. The expected consumption of coal for the power project is approximately 4.76 MMTPA with an average GCV of 4,700 kcal/kg at 90.0% PLF. We propose to source coal from the Mahuagarhi coal block, located in the Rajmahal coalfields of Central Coalfields in Jharkhand. On December 4, 2007, we entered into a 50:50 joint venture agreement with CESC to incorporate a Joint Venture, MCCPL, to develop the Mahuagarhi coal block. Under this Joint Venture, each of CESC and us is entitled to half of the total estimated reserves of 220 million tonnes of coal. The Mahuagarhi coal block is located at a distance of approximately 85 kilometres from the power project site.

Pursuant to the terms of the letter of allocation dated January 9, 2008 received from the Ministry of Coal for the development of the Mahuagarhi coal block, we are required to commence coal production within 36 months from the date of preparation of the required geological report, which has not yet been prepared. We have provided a bank guarantee of ₹ 410.00 million. The allocation and mining lease may also be cancelled by the Ministry of Coal for unsatisfactory progress of implementation of the end use sponge iron plant, power plant, cement plant or for unsatisfactory progress in the development of the coal mining project. For details, see “Risk Factors – *Our inability to obtain fuel in a timely manner and at competitive prices, or at all, could adversely affect our business, results of operations and financial condition*” on page 23.

Secondary fuel in the form of light diesel fuel oil or heavy fuel oil will be required for the start up of coal-fired boilers, which we intend to source from local vendors.

Water Supply

The amount of water required for the Banka Power Project is estimated to be approximately 39.45 million cubic meters per day. The power project is expected to utilise water from the Chandan Dam, which is located on the Chandan River at a distance of approximately 7 kilometres from the project site. On March 6, 2009 we were allocated 85.0 million cubic meters of water per day by the Bihar State Water Resources Department, however we have not yet entered into a definitive agreement for the supply of such water.

Power Generation

The main generating equipment of the Banka Power Project will consist of two steam turbine generators and two pulverised coal-fired boilers.

Off-take Arrangements

We have yet to enter into any off-take arrangements for the Banka Power Project.

Operations and Maintenance

We are responsible for the operations and maintenance of the Banka Power Project.

Power Evacuation

On June 23, 2009, we made an application to the PGCIL for the grant of long term open access for transmission of 2,376 MW. On September 30, 2009, the PGCIL requested us to undertake further studies before long term open access could be granted. On December 1, 2009, we submitted a bank guarantee in an amount of ₹ 1.78 million to the PGCIL as consultancy charges for carrying out such studies. On January 23, 2010, we applied to PGCIL to increase the amount of power that could be evacuated to 2,640 MW.

Property

For the Banka Power Project, we require approximately 785.50 acres of land, of which approximately 460 acres has been acquired, as of May 31, 2011.

Our Power Projects Under Planning

We currently have two coal-fired power projects under planning:

660 MW Power Project at Chandwa, Jharkhand

We are currently planning to develop a 660 MW coal-fired power project at Chandwa in Latehar district, Jharkhand, through our Joint Venture, CPL. On September 14, 2010, we applied to the Government of Jharkhand to extend the capacity of the memorandum of understanding to 1,740 MW. We also applied to the Ministry of Coal on July 30, 2010 for obtaining coal linkage. Terms of reference for the development of one unit of 660 MW were issued by the MoEF in a letter dated December 9, 2010. As of March 27, 2011, we have incurred ₹ 1,000.60 million towards the project.

Procurement/Implementation

For the development of the 660 MW power project at Chandwa, CPL awarded EPC contracts on December 18, 2010 to APRL, as amended, comprising an onshore supply contract, contract for onshore erection and commissioning and contract for civil and structural works aggregating to a contract price of ₹ 17,430.00 million and an offshore supply contract with a contract price of US\$253.04 million.

Supply Contracts

On December 18, 2010, CPL entered into an onshore supply contract and an offshore supply contract with APRL for total contract prices of ₹ 11,900.00 million and US\$253.04 million, respectively. The scope of work under the supply contracts encompasses the supply of equipment for the boilers, turbines and generators. The scope of work also includes the supply of the balance of plant and machinery required to be installed.

Erection and Commissioning Contract

On December 18, 2010, and as amended on December 24, 2010, CPL entered into a contract for onshore erection and commissioning with APRL for a contract price of ₹ 1,050.00 million. The scope of services includes construction, technical, engineering and project management services for the construction, completion, start-up and commissioning of the power project. CPL is required to make payment of bonuses for work completed ahead of schedule in the amount of 0.5% of the contract price for every week of early completion, subject to an overall cap of 5.0% of the contract price.

Civil and Structural Works Contract

On December 18, 2010, CPL entered into a contract for civil and structural works with APRL for a contract price of ₹ 4,480.00 million. The scope of work includes the civil construction, structural design and structural construction for the construction, completion, start-up and commissioning of the power project. CPL is required to make payment of bonuses for work completed ahead of schedule in the amount of 0.5% of the contract price for every week of early completion, subject to an overall cap of 5.0% of the contract price.

1,320 MW Power Project at Banka, Bihar

We are currently planning to develop a 1,320 MW (two units of 660 MW each) coal-fired power project at Banka district, Bihar, through our Subsidiary, JIPL. Our Company currently holds 94.40% of the outstanding equity interest of JIPL. Pursuant to a shareholders agreement dated October 29, 2010, our Company will hold 96.17% of the outstanding equity interest in JIPL upon the completion of the anticipated equity contributions from the shareholders of JIPL. In addition, JIPL made an application to the PGCIL for grant of long term open access for transmission of 2,376 MW on June 23, 2009, which application was amended on January 23, 2010 to increase the open access for transmission request to 2,640 MW. Water allocation has been obtained. Terms of reference for development of a 2,640 MW power project were issued by the MoEF on June 3, 2009. The EIA report has been submitted for the power project. We have received an in-principle approval letter for underwriting from State Bank of India dated November 22, 2010 for an amount of ₹ 33,300 million and an in-principal approval letter for underwriting from Axis Bank Limited dated December 3, 2010 for an amount of up to ₹ 27,750 million. As of March 27, 2011, we have incurred ₹ 2,930.60 million towards the project.

For details regarding the EPC contracts for the 1,320 MW Power Project at Banka district, Bihar, see “Our Business – Summary of our Power Projects Under Development – 1,320 MW Banka Power Project – Procurement/Implementation”.

Power Generation Technology

The process of generation of power from coal (water steam cycle) primarily entails two main stages. In the first stage, the chemical energy stored in coal is converted into heat energy in the coal-fired boilers. In the second stage, the high pressure steam, which is generated in the boiler, is passed through a turbine (conversion of heat energy into mechanical energy), which in turn is coupled to a generator (conversion of mechanical energy into electrical energy), thereby generating electricity.

The water steam cycle contains the coal-fired boilers, steam turbine with condenser, feed water tank, low-pressure heaters and high pressure heaters and the connecting pipelines. The superheated steam produced in the boiler is supplied to the high pressure steam turbine, which drives the three-phase AC generator. After leaving the high pressure turbine, the steam is reheated in the boiler and fed to the intermediate pressure turbine. In the low pressure turbine, the steam emanating directly from the intermediate pressure turbine expands to condenser pressure and is condensed in the condenser.

A closed cycle water system is used for cooling of the condenser. The condensate collected in the condenser hot well is discharged by the condensate pumps and supplied via the low pressure condensate heaters into the feed water tank. The feed water is further heated by bleed steam from turbine and dissolved gases from the feed-water are liberated. The boiler feed pumps discharge feed water from the feed-water tank via the high pressure heaters to the economiser. The high temperature team-water mix is further converted into steam in water walls and finally passed through the super heaters sections for converting the saturated steam into superheated steam.

This technology can be divided into sub-critical technology and super-critical technology. The technologies differ principally in the pressure and temperature at which steam is produced in the boiler. The pressure and temperature of steam in a super-critical plant are significantly higher than in a sub-critical plant. Super-critical technology necessitates the use of advanced materials for the equipment that processes the steam. The super-critical boiler is a “once through” type of boiler unlike sub-critical boiler where water and steam remains in saturated condition in the boiler drum and water is re-circulated for generation of steam. The “once through” boiler does not require any circulating pump or drum except for boiler feed water pump. Energy required for circulation is provided by the feed pump.

The main sections of the power generating unit include a boiler along with milling system, fans and electrostatic precipitator, integral piping, integral control system, turbine and generator unit along with boiler feed pump, regenerative heaters, condensate extraction pump, circulating and auxiliary cooling water pumps and the generator transformer with bus duct. The main sections of the utility system are the coal handling system, ash handling system, fire fighting system, air conditioning and ventilation system, switchyard and the plant water system.

Carbon Credits

The Kyoto Protocol paved the way for the Clean Development Mechanism (“CDM”), a program that encourages sustainable development projects that reduce greenhouse gases in the earth’s atmosphere by issuing tradable certificates called Certified Emission Reductions (“CERs”) and Verified Emission Reductions (“VERs”). We expect to be eligible for the CDM benefits due to the high efficiency power generation using coal-fired super-critical technology that we intend to employ at our Banka Power Project. Due to the super-critical conditions, the efficiency of steam generation through super-critical technology is higher than that from the conventional sub-critical technology. Higher steam generation efficiency and hence higher overall cycle efficiency will lead to lower coal consumption for the generation of the same amount of electricity resulting in a reduction of greenhouse gas emissions into the atmosphere. Hence, we expect to be eligible for the CDM benefits for our Banka Power Project. However, the first commitment period under the Kyoto Protocol will expire in 2012. Accordingly, a new international framework is required to be negotiated and ratified which can deliver on new emission reduction targets. The manner in which the Clean Development Mechanism in its current form will be accommodated under a new international framework is uncertain.

Employees

As of May 31, 2011, we had 451 full-time employees based in India. Our employees have a wide range of experience and skills in areas such as power project implementation, power project operation, and transmission operation. In addition, we also employ contract labourers at our power projects and the number of contract labourers varies from time to time based on the nature and extent of work contracted to independent contractors. The following table shows the function and the number of our employees as of May 31, 2011:

Function	Number of Employees
Administration and Human Resources	56
Accounting and Finance	49
Information Technology	20
Operations / Technical	224
Commercial	21
Legal and Secretarial	12
Others	69
Total	451

We intend to provide integrated accommodation facilities to our employees based at our power projects. In addition, we expect to provide a number of other benefits to our employees, such as annual leave, travel allowance and provident fund. Our operations require highly skilled and experienced power project management personnel. We intend to offer our employees comprehensive on-going training in order to raise their competence and capability with respect to power project operations. We also intend to have regular staff training sessions and performance

enhancement programs at our power projects to develop and improve competencies in our general workforce, particularly with respect to functional skills.

Operations and Maintenance

Operations and maintenance (“O&M”) plays a significant role in power generation, as optimum functioning with maximum availability of power ensures continuous quality power supply to the consumers. Hence, after commissioning of the respective units of all of our power projects, from the date of handing over of the unit, O&M of each of our power projects will be undertaken by our in-house O&M team, consisting of engineers and technicians. For the MIHAN Power Project, we have retained NTPC to provide consultancy services to our in-house O&M team.

Insurance

The insurance for the MIHAN Power Project is maintained by us, whereas our contractors and us are jointly required to maintain insurance cover for the Chandwa Power Project. We are in the process of obtaining insurance for the Banka Power Project. With respect to our covered power projects, we are covered by third-party all risk, marine erection all risk, insurance policies for loss caused by accident, fire, flood, riot, strike and malicious damage, and third parties. We are also covered for advanced loss of profit. Notwithstanding our insurance coverage, damage to our power projects, facilities, equipment, machinery, buildings or other properties as a result of occurrences such as fire, explosion, human error or natural disaster or terrorism, or any decline in our business as a result of any threat of war, outbreak of disease or epidemic could nevertheless have an adverse effect on the our financial condition and results of operations to the extent such occurrences disrupt the normal operation of our business. See “Risk Factors – *Our power projects may not be fully covered by insurance policies exposing us to substantial costs that could adversely affect our business, results of operations and financial condition*” on page 37.

Safety and Risk Management

We implement work safety measures and standards to ensure healthy and safe working conditions, equipment and systems of work for all the employees, contractors, visitors and customers at our power projects. We intend to reduce waste and other harmful pollutants by careful use of materials, energy and other resources with maximizing recycling opportunities. Each of our power projects is expected to have its own work safety management department which ensures compliance with safety measures and standards. We have established a committee for work safety which sets safety measures and standards in accordance with the relevant safety laws and regulations in India. We oversee the implementation and compliance of these safety measures and standards.

Starting at the design and engineering stage of our power projects, we adopt fail-safe technology for all our equipment, electrical machines and electronic control systems as per international standards of industrial safety. All our power projects will have integral safety systems and emergency shutdown systems for smooth and safe stoppage of the power projects in abnormal conditions. We intend to have available 24-hour fire fighting crews equipped with fire-fighting equipment, fire tenders and ambulances once our power projects start operations, year-round.

Environmental Matters

Prior to the commencement of any power project, we undertake environment impact assessment studies and based on the various findings, we develop an environment management plan. We are committed to complying with all statutory requirements, environmental regulations and quality standards as per the guidelines published by the MoEF and Government of India from time to time. All our power projects are expected to be equipped with advanced pollution control devices to reduce the major pollutants likely to affect the environment at our power projects, to acceptable levels. Pollutants from our power projects will include carbon dioxide, sulfur oxides, nitrogen oxides, liquid effluents, noise, and thermal pollution. To keep the stack emissions within the limits and to control the ground level pollutants, all our power projects are expected to be equipped with an efficient electrostatic precipitator at a sufficient height as per the MoEF and state pollution control boards’ regulations.

Property

We own and lease certain properties for corporate operations. The brief details of the material properties leased by us are set out below:

Purpose of Property	Description of Property	Particulars
MIHAN Power Project	Land measuring 86.56 acres, situated at village Khairi Khurd, 50-A, Nagpur, Maharashtra	Leased by MADC to AMNEPL pursuant to a lease deed dated June 16, 2010
MIHAN Power Project (25.6 MW back-up DG sets)	Land measuring 15.48 acres situated at the MIHAN SEZ Area in village, Dahegaon, Nagpur, Maharashtra	Leased by MADC to AMNEPL pursuant to a lease deed dated November 26, 2008
Our Corporate Office	Area measuring 9,100 square feet situated on the seventh floor, Landmark Building, Wardha Road, Ramdaspath, Nagpur, Maharashtra	Licensed by SAS Developers and Engineers to us (originally to AINL) pursuant to a leave and license agreement dated January 14, 2010
Branch Office / Corporate Office of JIPL	Area measuring 22,937 square feet situated on the first, upper ground and third floors of “Abhijeet Tower”, Corporation House No. 9-A, situated at Wardha Road, Dhantoli	Licensed to JIPL by Growth Infinite pursuant to a leave and license agreement dated November 25, 2010
Branch Office/ Corporate Office of CPL	Area measuring 9,738 square feet situated on the second floor of “Abhijeet Tower”, Corporation House No. 9-A, situated at Wardha Road, Dhantoli	Licensed to CPL by Growth Infinite pursuant to a leave and license agreement dated November 25, 2010
Registered Office	Area measuring 500 square feet of super built up area, out of office space measuring 7,667 square feet of super built up area, situated at Plot No. 1, Block EN in Sector V of Salt Lake Township, Kolkata.	Licensed to our Company by Corporate Cement Private Limited (known formerly as Vertual Vanijya Private Limited) pursuant to a leave and license agreement dated September 6, 2010

Competition

We compete with Indian and foreign companies operating in the power business. Some of our competitors may have more experience than us in the development and operation of power projects. In addition, a number of these companies may have more resources than us. We face competition with respect to setting up our power projects, and we will face competition with respect to selling excess power that we may produce from our power projects that will not be subject to long-term PPAs. We face competition in power generation from companies such as Adani Power Limited, Indiabulls Power Limited, NTPC Limited, Reliance Power Limited, Tata Power Limited, Essar Power (Gujarat) Limited, JSW Energy Limited, and KSK Energy Ventures Limited, among others. See the section “Industry” on page 110.

Intellectual Property

Abhijeet Vision Limited has granted a license to our Company, AMNEPL, CPL and JIPL (each individually the “Licensee”) for the use of certain trademarks primarily covering the “Abhijeet” name and logo for a period of nine years through trademark license agreements dated November 26, 2010. Each Licensee is required to pay a nominal fee of ₹ 1 per annum as consideration for the license. For details, see “Description of Certain Key Contracts” on page 151.

DESCRIPTION OF CERTAIN KEY CONTRACTS

The Composite Scheme of Arrangement, effective from October 15, 2010, provides for (i) the demerger of the engineering, procurement and construction division (the “EPC Division”) of AINL and its transfer and vesting into APRL; and (ii) for the amalgamation of the power business of AINL with our Company. For details, please see “Composite Scheme of Arrangement” on page 221. Pursuant to the same, contracts entered into with AINL have been transferred to and vested in APRL (if pertaining to the EPC Division) or our Company (if pertaining to power business), and the description of contracts herein accordingly indicates the same.

Share subscription agreement

1. Share subscription agreement between AML and our Company dated October 30, 2010 and amendment agreement dated May 16, 2011

Our Company and AML (together the “Parties”) have entered into a share subscription agreement dated October 30, 2010 (the “SSA”), as amended by amendment agreement dated May 16, 2011 whereby AML has agreed to subscribe to 148,000,000 Equity Shares at a price of ₹ 15 per Equity Share (including premium of ₹ 5 per Equity Share) (the “Preferential Allotment”) on demand by our Company. AML has agreed to subscribe to the Preferential Allotment for the purpose of raising funds for the tied-up amount towards 75% of the stated means of finance for the Chandwa Power Project and the Banka Power Project, excluding the amount proposed to be raised in the Issue or existing identifiable internal accruals (the “Tied-up Amount”) and funding for other projects (“Further Funding”). The obligation of AML to subscribe to the Preferential Allotment is effective from the date of filing of the Draft Red Herring Prospectus with SEBI.

Utilisation of proceeds of the Preferential Allotment

Our Company shall utilise the proceeds of the Preferential Allotment towards meeting the requirements for the Tied-up Amount and Further Funding as follows:

Sr. No	Particulars	Amounts (in ₹ million)
1.	Tied-up Amount	1,130.00
2.	Further Funding	1,090.00
	Total	2,220.00

Call Notice and restriction on transferability

Our Company may, at its discretion, issue more than one call notice, from date of filing the Draft Red Herring Prospectus with SEBI until date of filing of the Red Herring Prospectus with the RoC. The issue of one or more call notice is at the sole discretion of our Company. In the event AML does not contribute to the extent stated in the call notice and within the specified period, AML will bear an interest of 15% per annum on the arrears from the expiry of five working days from the date of service of the call notice until the date of the actual payment. AML is not bound to contribute any amount towards the equity of our Company, other than the Preferential Allotment. There will be no restriction on the transferability of the Equity Shares allotted by way of the Preferential Allotment, except for the restrictions under applicable law.

Events of default, consequences of default and termination

The delay or failure in payment by AML beyond 30 days from the date of service of the call notice, the breach of any representation, covenant or warranty under the SSA by any of the Parties or the bankruptcy or winding up of either of the Parties will constitute a default under the SSA. In the event AML does not subscribe to whole or any part of the Preferential Allotment within the specified time it will give rise to a cause of action by our Company against AML for compensation and damages. In case of any other event of default, the Parties will determine the loss in accordance with the SSA, if any, caused to the other, due to

such default, which will be paid to the party which incurred the loss.

Our Company may terminate the SSA without assigning any reasons by giving a prior notice of seven days and AML does not have the right to terminate the SSA.

Trademark license agreements

1. Four trademark license agreements between Abhijeet Vision Limited and our Company, AMNEPL, CPL and JIPL respectively, each dated November 26, 2010

Abhijeet Vision Limited (“AViL”) has entered into four separate trademark license agreements each dated November 26, 2010, with our Company, AMNEPL, CPL and JIPL (individually the “Licensee”) respectively, granting each of them a license to use the Abhijeet logo and certain other trademarks in the process of being registered (together the “Trademarks”). The Licensee has to pay a fee of Re. 1 per annum as consideration for the license. The license is for a period of nine years unless the respective agreements are terminated earlier and they can be extended for a term mutually agreed upon between the respective parties. The license is also deemed to include any new trademark applications filed by AViL for registration filed by AViL during the term of these licenses. In the event any Licensee wishes to register any of the Trademarks in any jurisdiction other than India, it may request AViL to do so on its behalf. AViL shall apply for registration under its own name and all reasonable cost of the same will be paid by the Licensee. The Licensee is required to use the Trademarks in accordance with the graphical representations agreed between the parties and the Licensee cannot alter the graphical representations or layout of the Trademarks without the prior written consent of AViL.

Assignment

AViL may assign, transfer or charge all or any of its rights and/or obligations under these agreements or sub-contract the performance of any of its obligations subject to certain conditions. In the event AViL grants the Licensee the right to assign, transfer or charge all or any of its rights and/or obligations under their respective agreements, the respective Licensee will notify AViL the particulars of the assignee, transferee, charge or sub-contractor.

Infringement and Indemnity

Each party has agreed to intimate the other in writing of any actual or threatened infringement of the Trademarks or any allegation or complaint made by third party that AViL or the respective Licensee has infringed the trademark of the third party or any other form of claim to which the Trademarks may be subject. AViL has the sole right to decide whether or not to initiate or defend proceedings in this regard.

The Licensee has agreed to indemnify AViL against costs, actions, proceedings and damages which AViL is held liable to pay pursuant to any final judgment or settlement arising from the breach of the respective agreement with the Licensee or failure of the Licensee to comply with any relevant laws and regulations. AViL has agreed to indemnify the Licensee from and against all costs which the Licensee is held liable to pay pursuant to a final judgment or settlement arising out of the breach of the respective agreement or on account of breach of the representations and warranties by AViL or failure of AViL to comply with relevant laws and regulations in relation to the license. AViL shall also indemnify the Licensee against all costs which the Licensee is held liable to pay pursuant to any final judgment or settlement as a result of or in connection with any claim against the Licensee that the use of the Trademarks infringes the trademark or rights of a third party.

Termination

Parties to the respective agreements can terminate the same by written notice in the event the other party commits a material breach of any material obligation and the same is not remedied within 30 days of receipt of written notice or an insolvency event occurs in relation to any party.

I. Abhijeet MADC Nagpur Energy Private Limited

Project specific contracts for the MIHAN Power Project

1. Concession agreement between AMNEPL and MADC dated November 7, 2007

AMNEPL and MADC (the “Parties”) have entered into a concession agreement (the “Agreement”) dated November 7, 2007 for the development, design, financing, construction, operation and maintenance on a build, operate and transfer basis, of a coal based thermal power station along with diesel generator based backup facility of 25 MW capacity (the “Facility”) at village Khairi Kurd in Nagpur, Maharashtra which includes three units with a capacity to generate an output of 50 MW each. Project is defined under the Agreement, to mean development, design, financing, construction, operation, and maintenance of the Facility and all activities incidental thereto along with operation and maintenance of transmission and distribution network and supply of electricity to consumers in MIHAN area/outside MIHAN area with first priority in power supply to consumers in MIHAN SEZ area as per terms of the Agreement. AMNEPL was selected as an entity to develop the project based on the international competitive bidding process and the bid was submitted by the project sponsors (that is, sponsor selected through the tendering process to develop the Facility). The term of the Agreement is 33 years calculated from January 7, 2009 (“Effective Date”). AMNEPL has a right to renew the Agreement for another 30 years, by entering into a new competitive bidding, four years prior to end of the term. If AMNEPL participates in such bidding it shall have the right of first refusal, which gives it the right to match the tariff quoted by the most competitive bidder. The capacity of the Facility and Effective Date has been amended by the Parties. For further details, please see “Amendments and clarifications” below. MADC has guaranteed a minimum off-take of 25 MW of power from the facility per month. In case of shortfall in the demand of power below 25 MW, MADC is required to pay AMNEPL as per formula agreed in the Agreement. AMNEPL is required to provide MADC as security deposit an amount equal to the 5% of the total project cost to ensure AMNEPL’s obligation hereunder including the obligation to pay liquidated damages. The deposit will be refunded within one month of the commencement of the project. AMNEPL will also provide an operations security deposit of ₹ 35.00 million. MADC is entitled to retain this deposit on the termination of the Agreement.

Scope of the Agreement

MADC has granted an exclusive license to AMNEPL to operate and maintain transmission and distribution network in MIHAN Area and supply electricity to consumers of MIHAN SEZ Area on a priority basis. After meeting the requirement of consumers in MIHAN SEZ Area, AMNEPL may sell electricity to the consumers of MIHAN Area, falling outside the MIHAN SEZ Area and charge tariff to such consumers as per terms and conditions of the Agreement. After meeting requirement of consumers in MIHAN Area, any excess electricity may be sold to any third party. For the purpose of selling excess electricity to third party, AMNEPL may have interconnection with the grid, however, this should not affect the quality of uninterrupted supply of electricity to MIHAN SEZ Area.

AMNEPL has the obligation to design, develop, finance, operate and maintain the Facility with due care, diligence and skill. AMNEPL may contract with a construction contractor and the operation and maintenance (“O&M”) contractor for such purpose, after providing prior intimation to MADC. However contracting with construction contractor or O&M contractor does not relieve AMNEPL of its duties, obligations and potential liability in designing, developing, financing, operating and maintaining the Facility. On prior notice to MADC, AMNEPL also has the right to engage its own personnel to operate the Facility. AMNEPL is required to procure and bear costs for all imported material required for the construction of the Facility, and make arrangements for transport to the site of all such equipment and materials from the port facilities, if required. AMNEPL will ensure railway connectivity at the nearest railway station for transportation of coal.

MADC has the obligation to provide lease for the land to be used for building the Facility and to provide additional land, if required, which shall be valued at prevailing market prices and further MADC is to provide land for railway siding free of cost. MADC is required to ensure raw and drinking water to the Facility. The first year cost of raw water will be ₹ 4 per kilolitre up to 16 MLD, and ₹ 7 per kilolitre beyond

16 MLD up to 22.6 MLD and ₹ 40 per kilolitre for drinking water. MADC is also required to provide road connectivity between MIHAN SEZ and the Facility.

MADC will further provide low lying areas to AMNEPL for the purpose of bottom ash disposal. All consents will be obtained and maintained by AMNEPL and if MADC obtains such consents on behalf of AMNEPL, then such consents shall be transferred to AMNEPL at AMNEPL's cost. MADC will obtain distribution license under Electricity Act for distribution and supply of electricity in MIHAN SEZ Area and appoint AMNEPL as its sole franchisee and AMNEPL may recover such costs from customers. AMNEPL is liable to supply and distribute electricity in MIHAN SEZ Area only if necessary licenses are obtained by MADC and if it has open access to consumers.

Events of default

MADC may give a notice of default under this Agreement, for events of default (unless breach occurs due to breach by MADC of the Agreement or for force majeure event) which *inter alia* include:

- (i) Failure of AMNEPL to achieve financial closure by the required date;
- (ii) Failure of AMNEPL to achieve the start date of construction within 60 days of financial closure date;
- (iii) Failure of AMNEPL to achieve the commercial operation date, within three months after the scheduled commercial operation date;
- (iv) The abandonment of the Facility by AMNEPL or the failure of AMNEPL to construct the Facility in a diligent manner for 30 consecutive days without notice to and consent of MADC, after the construction start date but prior to achieving commercial operations date, provided that AMNEPL would not be deemed to have abandoned its construction of the Facility so long as it makes reasonable efforts to regain control of the Facility or reinstate the construction by using reasonable resources within its limits;
- (v) Failure of AMNEPL to submit operations security deposit;
- (vi) Abandonment of the Facility by AMNEPL for a period of two consecutive days without notice to and consent of MADC, without any reasonable effort to regain control;
- (vii) Service to the customers being affected due to AMNEPL's failure to maintain, modify or repair the Facility, which affects the safety of persons and property of the Facility;
- (viii) Except for the assignment to the lenders, assignment by AMNEPL of its rights or obligations in the assets without prior consent of MADC and/or transfer, loss or relinquishment of its right to operate the Facility without prior written consent of MADC;
- (ix) Except for the purpose of reconstruction or amalgamation, the (a) passing a resolution for winding up by shareholders of AMNEPL; (b) voluntary filing by AMNEPL of a bankruptcy petition or moratorium or similar relief; (c) appointment of a liquidator in a proceeding for winding up of AMNEPL after a notice to AMNEPL, which appointment has not been set aside or stayed within 90 days of such appointment; and (d) order passed by a court for winding up of AMNEPL and such order not being reversed in 30 days of being passed;
- (x) Any statement, representation or warranty by AMNEPL which proves to be incorrect, in any material respect which has an adverse effect on AMNEPL's ability to perform its obligations;
- (xi) Any material breach of the Agreement by AMNEPL, which is not remedied in 30 days, unless such breach was caused solely by MADC;

- (xii) Event of default under the fuel supply agreement, which is not remedied within cure period provided;
- (xiii) Any failure by AMNEPL to make payments, other than, in respect of which security which has been provided within 30 days from the date thereof;
- (xiv) Failure by AMNEPL to supply uninterrupted quality power to any consumers in MIHAN Area for 87 consecutive hours per year;
- (xv) Failure by AMNEPL to pay revenue share amount to MADC on April 15th of each contract year;
- (xvi) Any event of default under the project agreement, which is not remedied within the applicable cure period; and
- (xvii) Any event of default under the financing documents, which is not remedied in the applicable cure period.

Termination and compensation

Upon the occurrence of any event of default, the Parties have the right to terminate the Agreement by delivering a notice of intent to the defaulting party. Thereafter, the Parties will consult and discuss steps to be taken to mitigate consequences and cure the default. Unless the default is cured, the Parties have a right to terminate the Agreement by delivering a notice of termination. No termination will be valid without notice to the lenders. In the event Facility is transferred to MADC, AMNEPL shall have no further obligations to MADC under the Agreement. The rights of parties to terminate the Agreement do not affect the right of the Parties to exercise other remedies under law.

In the event of termination triggered due to an event of default by AMNEPL, MADC is entitled to encash full proposal security. In such an event, MADC also has the right, but not the obligation to acquire all of AMNEPL's rights, title and interest in the Facility by paying AMNEPL compensation equal to 90% of the total debt due. If MADC does not acquire the Facility, then it will cease to have any rights, interests or obligations in the Facility.

In the event of termination triggered due to an event of default by MADC, AMNEPL will transfer the Facility to MADC and upon such transfer will receive a compensation amount equal to total debt due plus 150% of the equity. If AMNEPL seeks termination due to political force majeure event, MADC will pay AMNEPL an amount of total debt due plus 100% equity less insurance proceeds received by AMNEPL. If AMNEPL seeks to terminate the Agreement due to indirect political force majeure events, then MADC will pay the project company compensation equal to 100% equity less insurance proceeds received by AMNEPL. If MADC seeks to terminate the Agreement due to any non political force majeure events, it will pay AMNEPL a compensation amount equal to 90% of the total debt due less insurance proceeds if any. While transferring the Facility from AMNEPL to MADC, it is required to be made free and clear of all environmental liabilities and all liens and encumbrances.

Covenants, representations and warranties

AMNEPL has provided certain covenants which, *inter alia*, include that it would (i) obtain all necessary debt and equity financing, sufficient for construction and maintenance of the Facility and anyone who acquires the Facility will be subject to all such obligations of AMNEPL; (ii) before financial closure, make all reasonable efforts to negotiate and execute the contracts with contractors; (iii) cooperate in good faith with MADC with respect to all of MADC's obligations and rights; (iv) engage an independent, internationally recognized firm to manage, supervise and monitor the design, procurement and commissioning of the Facility; (v) provide interconnection between the Facility and transmission and distribution network in power generating stations; (vi) supply uninterrupted power to MIHAN Area; (vii) provide last mile connectivity to the units of MIHAN Area for supply of electricity to all consumers; (viii)

charge and collect all applicable charges from the units of MIHAN Area towards supply of electricity; (ix) operate and maintain the transmission and distribution network as per specifications listed in the Agreement; (x) the then project sponsors (sponsors selected through the tendering project to develop the Facility) would hold a minimum of 51% of the subscribed, paid up voting equity capital upto a period of two years from commercial operation date and thereafter Abhijeet Infrastructure Limited, shall hold a minimum of 26% of subscribed, paid up and voting equity capital of AMNEPL during the concession period.

MADC has provided certain covenants which *inter alia* include that it would (i) invest in AMNEPL to the extent of 26% of the subscribed and paid up voting equity capital and contribute land which shall be valued at ₹ 6.50 million per hectare; (ii) assist AMNEPL, if requested, to obtain electrical energy for construction and commissioning; (iii) assist AMNEPL in connection with AMNEPL's negotiation and execution of financing documents; (iv) assist AMNEPL in obtaining all consents including water, air and other environmental licenses and transportation permit and licenses; (v) co-operate in good faith with AMNEPL to execute the fuel supply agreement with the best and lowest cost possible; (vi) transfer to AMNEPL within 15 days of signing the Agreement, free of all encumbrances, all consents which have been obtained from government authority and all studies, designs and specifications and drawings; (vii) provide all necessary infrastructure like water supply, drainage, sewerage system, telecom system within 24 months of Effective Date; (viii) provide transmission and distribution network at its own cost to AMNEPL; (ix) ensure that RMC unit (unit in MIHAN producing ready mix concrete) off-takes 100% of the fly ash generated by all units every week from the plant boundary; and (x) not to enter into agreement with any third party for the supply and distribution of electricity for the distribution of electricity in the MIHAN SEZ Area during term of the Agreement.

Liquidated damages and penalties

If during construction period there has been a delay in the physical progress of the Facility vis-à-vis the proposed schedule of the development of the Facility, then for every event of delay for each of the milestone, AMNEPL is required to pay a sum of ₹ 0.60 million multiplied by the reference capacity price unit per day of delay. If there has been a consistent delay in the project milestones for consecutive three milestones, then the same will be considered as an event of default by AMNEPL. In the event the commercial operation date of the Facility has not occurred, AMNEPL will pay MADC liquidated damages of ₹ 1.20 million multiplied by the capacity price subject to a maximum of 10% of the total project cost. In the event of early completion of the project by AMNEPL, MADC will pay to AMNEPL an early completion bonus per day or fraction thereof equivalent to ₹ 0.30 million multiplied by reference capacity price subject to a cap of 90 days of early completion bonus. The early completion bonus is payable only if the actual commercial operation date is more than one month earlier than the scheduled commercial operations date.

If at any point of time, pursuant to a capacity determination test for measuring declared capacity, the actual capacity is lower than the declared capacity, AMNEPL is required to pay MADC liquidated damages for every MW reduction in sum equal to ₹ 25.00 million. However, if actual capacity of Facility is less than 10% of declared capacity it will be considered an event of default by AMNEPL. In the event sum of forced outages of energy for facility and maintenance outages energy and scheduled outages energy exceeds declared capacity multiplied by 87 hours for all contract years, then AMNEPL will owe MADC liquidated damages, the capacity damage amount for that contract year. In the event of voltage fluctuation (+/-) 5% of declared voltage levels for 11 kV and 33 kV bus bar, AMNEPL will pay for each voltage falling outside permissible limit a sum of ₹ 5.00 million per hour. If the actual voltage fluctuation at the 440 v bus shows a fluctuation level of +/- 5% of the declared voltage levels, AMNEPL will be required to pay liquidated damages of ₹ 2.00 million per hour above the specified limit. If actual frequency levels at 33 kV falls outside permissible limit of 49.5 to 50.5 Hz, AMNEPL will pay MADC a sum of ₹ 2.00 million per hour above the specified limit as liquidated damages. In the event MADC fails to provide infrastructure facilities at the parameter agreed, MADC will pay a penalty of 15% of the value of land as penalty for the first 12 months, for the second year penalty shall increase to 20% and thereafter penalty shall be 25%. The total penalty would not exceed 75% of the total value of land.

For emissions falling between 60 mg/nm³ to 80 mg/nm³ AMNEPL is required to pay MADC liquidated damages for sum equal to ₹ 5.00 million per hour for each number of hours which fall outside the specified limit aggregated on a monthly basis and for emission levels falling between 80 mg/nm³ to 100 mg/nm³. AMNEPL is required to pay MADC liquidated damages equal to ₹ 10.00 million per hour for each number of hours which fall outside the specified limit aggregated on a monthly basis. If at any point AMNEPL is unable to supply electricity to consumers, it will pay liquidated damages as per pre determined formula.

Amendments and clarifications

The Parties have amended and further clarified certain provisions of the Agreement by way of correspondence / minutes of meetings between the Parties, signed by the representatives of both Parties. To the extent these amend or amplify the provisions of the Agreement, no separate amendment to the Agreement has been entered into between the Parties. The details of such amendment / clarifications are provided below:

Salient features from the minutes of the meeting held on November 23, 2009:

- AMNEPL has agreed to make 200 MW power available for 365 days per year and 24 hours a day and water charges shall be paid from the date of commencement of supply of water to power project for the minimum quantity of 16 mld water requirement whether drawn or not.
- AMNEPL had requested for allocation of 22.6 mld of water to the power project (from 16 mld) and agreed to pay ₹ 50 million to MADC for augmentation of the infrastructure, to be adjusted against the contribution of MADC's equity, for 22.6 mld of water and the rate of ₹ 7/kl of water over and above the quantity of 16 mld.
- Due to the non-availability of SEZ status, it was informed that AMNEPL had decided to avail the benefits of export promotion capital goods scheme to reduce the burden of taxes and the export obligation would be fulfilled from sale of power in the SEZ area. In order to cover shortfall, if any, AMNEPL had requested Corporate Ispat to satisfy part of the export obligations by export of products manufactured by it. It was further agreed that Abhijeet Infrastructure Limited would give an undertaking to AMNEPL / MADC that in no case would any claim from Corporate Ispat on account of meeting AMNEPL's export obligations be passed on to AMNEPL / MADC.

MADC has, by a letter dated December 3, 2009, accepted the revised capacity of 61.5 MW x 4 and 25.6 MW DG set subject to the following conditions:

- In relation to certain matters discussed in the meeting between the Parties on November 23, 2009:
 - (a) MADC has agreed to supply 22.6 mld of water to the power project subject to a payment of ₹ 50 million to MADC, the rate of ₹ 7/kl for the quantity of water over and above 16 mld and minimum charges for the quantity of water 16 mld whether drawn or not; (b) due to change in configuration to 246 MW and the shortage of 4 MW, AMNEPL is required to pay ₹ 100 million as compensation; (c) AMNEPL has to ensure that 200 MW power be available at SEZ switchyard on 33 kV bus and if a situation arises, AMNEPL will import power from a grid at AMNEPL's cost.
- The 26% equity of MADC will be adjusted against (i) the land cost of 62.5 Ha for the power project; (ii) the land cost of 10 Ha for bottom ash; (iii) ₹ 100 million against lower capacity of the power project; and (iv) ₹ 50 million required for the augmentation of infrastructure to supply additional water.
- The unit capacity will be treated as 50 MW and not 61.5 MW for the purpose of calculating plant load factor ("PLF") for revenue share of MADC.

- The other terms of the Agreement remain unchanged and there will not be any burden on MADC due to change in configuration and the acceptance of change in configuration does not affect the interest of MADC. If any dispute arises due to configuration of 4 x 61.5 MW it will be resolved by mutual discussion.

Salient features from the minutes of the meeting held on May 15, 2010:

- In a meeting of the Parties held on August 5, 2008 the Parties had decided to modify the Effective Date to the last of the dates of the following three events: clearance from the MoEF for 2 x 50 MW, handing over possession of the land and SEZ notification. In the meeting held on May 15, 2010, the Parties discussed that the date of the SEZ notification is immaterial as the power plant is outside the SEZ, and the Effective Date shall be amongst the other two.
- The Parties noted that permission from the government for purchase of 6.98 Ha of tribal land is under process and that this shall be the contribution of MADC to the project and once the government permission is obtained the necessary documentation shall be executed.
- Only surplus power after meeting the full requirement of MIHAN can be sold for consumption within the state of Maharashtra and after a 10 days' advance intimation to MADC. MADC may refuse such sale within seven days from date of receipt of intimation and will record and communicate reasons for such rejections.
- The Parties noted that the draft of the land lease agreement will be available to AMNEPL and that the minutes of the meeting will be part of the land lease agreement and accordingly the terms of the Agreement shall stand modified. However, there will be no separate amendment to the Agreement.
- The bonus will be available only after the transmission line is completed and charged, 220/33 kV step down transformer is commissioned in MIHAN-SEZ switchyard, 33/11 kV substation in SEZ is charged, generation capacity of 100 MW as per the Agreement has been commissioned and 25.6 MW DG set has been commissioned.
- In case the realization is higher than the realization arrived at as per the Agreement, the revenue share of MADC shall be at a progressively higher rate depending on the tariff realized as agreed between the Parties. The Parties discussed the percentage of revenue payable to MADC on different slabs as per the details below:

Sr. No.	Tariff at which power is sold outside SEZ	Percentage of royalty payment to MADC
1.	Tariff as per the Concession Agreement – PLF upto 50%	1% of the revenue
2.	Tariff as per the Concession Agreement – PLF 50% or more, but upto 66%	2% of the revenue
3.	Tariff as per the Concession Agreement – PLF more than 66%	3% of the revenue
4.	More than 100% and upto 125% of tariff as per Agreement	As per Sr. No. 3 above plus 4% of revenue over and above the revenue based on tariff above 100% of tariff as per Agreement
5.	More than 125% and upto 150% of tariff as per Agreement	As per Sr. No. 4 above plus 5% of revenue over and above the revenue based on tariff above 125% of tariff as per Agreement
6.	More than 150% and upto 175% of tariff as per Agreement	As per Sr. No. 5 above plus 6% of revenue over and above the revenue based on tariff above 150% of tariff as per Agreement

Sr. No.	Tariff at which power is sold outside SEZ	Percentage of royalty payment to MADC
7.	More than 175% and upto 200% of tariff as per Agreement	As per Sr. No. 6 above plus 7% of revenue over and above the revenue based on tariff above 200% of tariff as per Agreement
8.	More than 200% of tariff as per Agreement	As per Sr. No. 7 above plus 8% of revenue over and above the revenue based on tariff above 200% of tariff as per Agreement

Pursuant to a letter dated June 4, 2010 MADC has intimated AMNEPL that the Effective Date for the Agreement is January 7, 2009.

MADC vide letter, May 24, 2011 has permitted AMENPL to sell power excess energy within the state of Maharashtra, as per the terms and conditions of the Concession Agreement. MADC has further informed AMENPL that such permission shall not be applicable to sale of any power outside the state of Maharashtra and the approval shall be revoked in case AMENPL is unable to complete the work of the 220 KV transmission line connecting MIHAN power plant to MIHAN SEZ, by September 2011.

Though, as per the Agreement, MADC has agreed to supply of raw water to the MIHAN power project for the first year at the cost of ₹ 4 per kilolitre up to 16 MLD, and ₹ 7 per kilolitre beyond 16 MLD up to 22.6 MLD and ₹ 40 per kilolitre for drinking water and vide letter December 3, 2009 MADC has agreed to supply 22.6 mld of water to the power project subject to a payment of ₹ 50 million to MADC, the rate of ₹ 7/kl for the quantity of water over and above 16 mld and minimum charges for the quantity of water 16 mld whether drawn or not, however, currently AMNEPL is paying a rate of ₹ 21 per cum. for supply of water from MADC.

2. **Power purchase agreement between Reliance Infrastructure Limited and AMNEPL dated August 4, 2010**

AMNEPL and Reliance Infrastructure Limited (“Reliance Infrastructure”) (collectively the “Parties”) have entered into a power purchase agreement dated August 4, 2010 (the “PPA”) for procurement of power of 55 MW, pursuant to a competitive bidding initiated by Reliance Infrastructure for the sale and supply of electricity in bulk for an aggregate contracted capacity of 55 MW. The term of the PPA is until March 31, 2014 or any extended period agreed between the Parties. The PPA will automatically expire on the completion of the term unless extended by the Parties mutually at least 90 days before the expiry date, subject to the approval of the Maharashtra Electricity Regulatory Commission. A contract performance guarantee of ₹ 165 million guaranteeing the commencement and continuity of the supply of power of the contracted capacity of 55 MW within the specified time period has been submitted by AMNEPL to Reliance Infrastructure. Reliance Infrastructure will pay AMNEPL monthly tariff payments which shall comprise of capacity charge and energy charge by the 30th day after the receipt of the bill. In the event there is a delay in payment, a late payment surcharge is payable by Reliance Infrastructure to AMNEPL at 2% in excess of applicable prime lending rate of State Bank of India per annum on amount outstanding for each day of delay.

Supply of power and payments

AMNEPL is responsible to commence supply of power for the aggregated contracted capacity of 55 MW by April 1, 2011, though the Parties may agree to commence supply of power in a phased manner. AMNEPL is responsible for obtaining all consents, clearances and permits required during the term of the PPA and commence supply of power of 55 kW no later than April 1, 2011 or any revised schedule such that as much of the contracted capacity can be made available through the use of prudent utility practices to meet Reliance Infrastructure’s scheduling and dispatch requirements. Reliance Infrastructure will ensure the availability of interconnection facility and evacuation of power from the delivery point.

Reliance Infrastructure has the exclusive right to purchase the entire 55 MW of aggregate contracted capacity and AMNEPL cannot grant any third party to obtain any entitlement to this contracted capacity.

AMNEPL is free to sell power to any third party prior to April 1, 2011 or any revised delivery date and any capacity in excess of 55 MW. If Reliance Infrastructure does not avail of the power for the available capacity provided corresponding to the aggregate contracted capacity of 55 MW, AMNEPL will be entitled to sell to any third party without losing the right to receive the capacity charges from Reliance Infrastructure for the unavailed available capacity. In such instances, the sale realisation in excess of the energy charges will be shared equally by the Parties. In the event AMNEPL sells such available capacity to any direct or indirect affiliate of itself or to its shareholders without obtaining the prior written consent of Reliance Infrastructure, AMNEPL will be liable to sell such available capacity to such entity at tariffs being not less than the tariff payable by Reliance Infrastructure. From the delivery date, till the expiry of the PPA, in the event AMNEPL is unable to supply power for the aggregate contracted capacity of 55 MW except due to a force majeure event or default of Reliance Infrastructure, AMNEPL would be free to supply upto 55 MW from an alternative generation source to meet obligations under the PPA for a maximum duration of six months continuously or 12 months non continuously. Once Reliance Infrastructure intimates AMNEPL of its intention and willingness to avail of whole or part of the available capacity corresponding to the aggregate contracted capacity from the power not availed by any third party, AMNEPL will commence the supply of such power to Reliance Infrastructure within two hours of such notice. As per the terms of the PPA, the AMNEPL shall provide 28.94% of the power station's net capacity to Reliance Infrastructure. In the event Reliance Infrastructure has not made payments on due date, after giving a notice of at least seven days, AMNEPL has the right to offer 25% of the contracted capacity for sale to third parties. The surplus of the tariff, if any, will be used towards extinguishing the subsisting payment liability of Reliance Infrastructure and surplus beyond that will be retained by AMNEPL.

In the event AMNEPL is unable to commence supply of power to Reliance Infrastructure by the delivery date or any revised time, AMNEPL will be required to pay Reliance Infrastructure liquidated damages which will be calculated as decided between the Parties as per the PPA and for up to two months of delay of commencement of supply of power from the scheduled or revised delivery date which can be recovered from the contract performance guarantee. The sum of the liquidated damages payable by AMNEPL to Reliance Infrastructure will be in accordance with the formula provided in the PPA. AMNEPL will also be liable to pay liquidated damages which shall be the amount Reliance Infrastructure had to pay CTU and STU for the period of delay, upto a maximum of 20% of liquidated damages. If AMNEPL is otherwise ready to commence supply of power and has given notice of the date of commencement of power supply but is not able to commence supply due to Reliance Infrastructure's event of default or due to indirect non natural force majeure which continued for more than three months, AMNEPL shall until the effects of such event of default or indirect non natural force majeure continue or direct non natural force majeure, be deemed to have an available capacity equal to the aggregate contracted capacity of 55 MW relevant to that date and it shall be treated as specified in the PPA. Reliance Infrastructure will be liable only for any loss or profit or other loss suffered by AMNEPL by reason of Reliance Infrastructure's failure to meet its obligations to pay amounts as liquidated damages. AMNEPL will only be liable for loss suffered by Reliance Infrastructure by reason of AMNEPL's failure to meet its obligations of providing supply of power, will be payment of liquidated damages and any consequences as an event of default.

Conditions subsequent

AMNEPL is required to execute a fuel supply agreement and send a written notice to Reliance Infrastructure indicating that the aggregate contracted capacity of 55 MW, the total installed capacity for each unit and the power station as a whole within six months from the date of the execution of the PPA, unless affected by force majeure. Reliance Infrastructure is required to obtain the necessary transmission linkages for open access for the transmission systems from the power station switchyard upto the delivery point and shall have executed a transmission service agreement with the STU for transmission of power from the power station switch yard upto the delivery point and obtain an order from the Maharashtra Electricity Regulatory Commission for the adoption of tariff under section 63 of the Electricity Act within six months from the date of the execution of the PPA, unless affected by force majeure. The Parties will jointly agree on specific dates for the commencement of supply and the quantum of the contracted capacity to be supplied from each such date. If these conditions are not fulfilled after three months of the period specified, then until the conditions are satisfied by AMNEPL it shall be liable to furnish Reliance Infrastructure additional contract performance guarantee of ₹ 8.25 million for every such week which shall

be initially valid till April 1, 2011. In the event AMNEPL fails to furnish the contract performance guarantee, Reliance Infrastructure shall have the right to terminate the PPA by giving notice of at least seven days and AMNEPL shall be liable to pay on the termination date, ₹ 220 million, which can be recovered from the contract performance guarantee.

Events of default

In terms of the PPA, the terms of default of AMNEPL include *inter alia*:

- The failure to commence supply of power to Reliance Infrastructure upto the contracted capacity relevant to the revised scheduled delivery;
- The interruption of power supply by AMNEPL for a continuous period of 15 days and such default is not rectified within five days from the receipt of first notice from Reliance Infrastructure in this regard;
- After the delivery date, AMNEPL fails to achieve 85% of the aggregate contracted capacity for a period of 12 consecutive months or non-consecutive months within any continuous period of 12 months;
- AMNEPL fails to make payment of an amount exceeding ₹ 10 million within three months or an amount of ₹ 50 million within six months of due date;
- If any of the representations and warranties are found to be untrue or inaccurate;
- If AMNEPL assigns, mortgages assets or rights in relation to the power station;
- AMNEPL repudiates the PPA and does not rectify the same within 30 days of notice from Reliance Infrastructure;
- Any change in the shareholding of AMNEPL in contravention of the PPA; and
- Failure to renew or replace the contract performance guarantee.

On the occurrence of any of AMNEPL's events of default, Reliance Infrastructure has the right to deliver to AMNEPL a notice with a copy to the appropriate commission and lenders' representative of its intention to terminate the PPA. Thereafter, a consultation period of 90 days, or such longer period as the Parties may agree will commence during which period the Parties will discuss the steps that have to be taken to mitigate the consequences of the event of default and the Parties shall continue to perform their respective obligations under the PPA. Within a period of seven days following the expiry of the consultation period, unless the Parties agree otherwise or the event of default is remedied, Reliance Infrastructure may terminate the PPA and Reliance Infrastructure may require the lender to exercise the substitution rights or other rights provided to them under the financing agreement. In the event the lenders do not exercise their substitution right, the capacity charge of AMNEPL shall be reduced by 20% for the period of the default. AMNEPL shall also be liable to pay charges equivalent to 12 months capacity charges calculated at normative availability (which is 85% availability of the aggregate contracted capacity).

The PPA also provides for *inter alia* provisions concerning indemnity, limitation of liability of the Parties and dispute resolution.

The validity and other terms of the PPA are currently sub-judice before the Maharashtra Electricity Regulatory Commission, Mumbai. For further details, please see "Outstanding Litigations and Material Developments" on page 426.

3. Power purchase agreement between AMNEPL and Tata Power Trading Company Limited dated December 24, 2010

AMNEPL has entered into a power purchase agreement (“Tata Power PPA”) with Tata Power Trading Company Limited (“TPTCL”) dated December 24, 2010 in terms of which AMNEPL shall sell 54 MW of power to TPTCL from January 1, 2011 to June 30, 2011, for the time period between 06.00 hours to 18.00 hours, at the specified monthly rates, with TPTCL buying the same with the purpose of sale to Maharashtra State Electricity Distribution Company Limited. The rate at the delivery point from January to June is 349 paise/kwh, 403 paise/kwh, 418 paise/kwh, 436 paise/kwh, 446 paise/kwh and 393 paise/kwh respectively. AMNEPL shall allow a rebate of 2% on the amount paid within the due date. In case of failure of the generator(s) at the source of supply, AMNEPL can make available the agreed quantum of power from other alternate sources such that the cost of power to MSEDCL shall be the same. Supply from alternate source shall not be binding on TPTCL unless prior written consent is obtained from MSEDCL, and TPTCL shall make efforts to convince MSEDCL to take supply from alternate source of power.

In the event the supply from AMNEPL is less than 80% of the approved open access quantum, then the shortfall shall be settled at ₹ 2 per kwh for each unit that falls short of the 80% of the approved open access on a monthly basis. In the event MSEDCL fails to avail 80% of the approved open access capacity from TPTCL (AMNEPL), TPTCL shall pay compensation at ₹ 2 per Kwh for each unit that falls short of 80% of the open access within two days of receipt of payment from MSEDCL.

All disputes regarding the PPA shall be resolved through arbitration in accordance with Arbitration and Conciliation Act, 1996.

4. Energy exchange agreement between AMNEPL and Tata Power Trading Company Limited dated December 29, 2010

AMNEPL has entered into an energy exchange agreement (“Agreement”) with TPTCL dated December 29, 2010, in terms of which AMNEPL shall sell upto 246 MW of power between January 1, 2011 to December 31, 2011, for the time period between 00.00 hours to 24.00 hours, through IEX and PXI power exchanges (“Power Exchange”). The sale of power to TPTCL is non-exclusive and TPTCL will bid on power exchange based on the quantum of confirmation and details of bidding received from AMNEPL in advance. The delivery point for trading on the power exchange is to be decided from time to time.

AMNEPL shall pay client membership fee for the power exchange to TPTCL and such fee shall subsequently be paid by TPTCL to the respective power exchanges. TPTCL will pay the margin money, if payable as payment security. The payment by TPTCL to AMNEPL will be transferred on the next working day from the date on which TPTCL receives payment from power exchange. The payment will be made after deducting open access charges (as per relevant laws), power exchange transaction charges, trading margin and any other taxes applicable for the sale of power in power exchange. TPTCL’s trading margin shall be 0.005 ₹/kwhr for schedule of power from AMNEPL in power exchange through TPTCL. Any unscheduled interchange charges payable by AMNEPL due to non-adherence to schedule by AMNEPL or any penalty or charges imposed by power exchange on account of non grant of consent by Maharashtra SLDC in scheduling the power shall be to the account of AMNEPL. A surcharge at the rate of 15% per annum for the number of days delay will be applicable on payments remaining outstanding after the due date, by the parties.

TPTCL has the obligation to submit to AMNEPL, power exchange daily report giving details of power scheduled from AMNEPL in power exchange. AMNEPL has the right to terminate the Agreement, without prejudice to all the rights to recover the amounts due to AMNEPL, in the event TPTCL does not make timely payments of AMNEPL dues for a period of 10 days. TPTCL has the option to terminate the agreement, in the event AMNEPL does not supply power as per mutually agreed terms on three or more occasions.

5. Power purchase agreement between AMNEPL and Tata Power Trading Company Limited dated May 13, 2011

AMNEPL has entered into a power purchase agreement (“UPPCL PPA”) with Tata Power Trading Company Limited (“TPTCL”) dated May 13, 2011 in terms of which AMNEPL shall sell 54 MW of power to TPTCL from May 15, 2011 to June 30, 2011, for the time period between 00:00 hours to 06:00 hours, with the ultimate purpose of sale of power to U.P. Power Corporation Limited (“UPPCL”), at the rate of 320 paise/kwh. Under the UPPCL PPA all open access charges including transmission charges and transmission losses, operation charges, upto the point of delivery shall be borne by AMNEPL and all transmission losses and operation charges of regional (RLDC)/State Load Dispatch Centres applicable beyond the delivery point shall be borne by TPTCL. AMNEPL shall pay open access processing fee of ₹ 0.005 million. AMNEPL shall be allowed a 2% rebate on the amount paid within the due date and a surcharge of 15% per annum shall be applicable on all energy payments outstanding after 30 days for the date of issue of bill. This surcharge would be calculated on a day to day basis for each day of delay.

In the event the supply from AMNEPL to UPPCL is less than 80% of the approved open access quantum, then the shortfall shall be settled at ₹ 1 per kwh for each unit that falls short of the 80% of the approved open access on a monthly basis. In the event UPPCL fails to avail 80% of the approved open access capacity from TPTCL (AMNEPL), TPTCL shall pay compensation at ₹ 1 per Kwh for each unit that falls short of 80% of the open access within two days of receipt of payment from UPPCL. All disputes regarding the PPA shall be resolved through arbitration in accordance with Arbitration and Conciliation Act, 1996.

AMNEPL has, by a letter dated June 7, 2011, informed TPTCL about its inability to supply power under the UPPCL PPA due to the restriction imposed by MADC on AMNEPL on supplying power outside the State of Maharashtra and therefore sought waiver from imposition of penalty under the UPPCL PPA for the month of June 2011. However, by a letter dated June 13, 2011 TPTCL has denied waiver of compensation to AMNEPL. Consequently AMNEPL has paid penalty for the months of May and June to TPTCL under the UPPCL PPA.

6. Letter of Intent for sale of infirm power between AMNEPL and Reliance Infrastructure Limited dated June 02, 2011

AMNEPL has entered into a letter of intent (“LOI”) with Reliance Infrastructure Limited (“Reliance Infrastructure”) dated June 02, 2011 for sale of 1 x 61.5 MW of infirm power from the MIHAN power plant by AMNEPL to Reliance Infrastructure from June 02, 2011 to July 31, 2011, for the time period 00:00 to 24:00 hrs, at the specified monthly rates with the delivery point being the point of entry into the Maharashtra State Transmission System. The rate shall be 1.50/ kWh which shall be inclusive of all taxes and duties. AMNEPL shall allow a rebate of 2% on the amount payment made within the due date. Reliance Infrastructure shall be liable to pay a surcharge at the rate of 15% per annum for delay on all outstanding amounts after 30 days from the date of issuance of the bill. AMENPL shall pay open access charges, transmission losses and scheduling charges upto delivery point and beyond delivery point such charges shall be paid by Reliance Infrastructure.

The LOI is subject to the approval, clearances and permissions from all government authorities RLDC/SLDC’s and AMENPL has the obligation to make arrangements for taking consents of Maharashtra SLDC. The charges applicable for obtaining concurrence shall be borne by Reliance Infrastructure. Neither party shall be liable for breach of its obligations which is a result of a force majeure event. Force majeure events include, *inter alia*, act of war, act of god, non availability of transmission capacity by intervening SLDC and/or RLDC, change in law, regulatory intervention and any direction issued by the Government of Maharashtra not to export power outside Maharashtra.

7. Letter of Intent between RETL and Maharashtra State Electricity Distribution Company Limited , dated May 4, 2011 and letter of intent between Reliance Energy Trading Limited and AMNEPL, dated December 6, 2011

RETL has entered into a letter of intent with Maharashtra State Electricity Distribution Company Limited (“MSEDCL”), dated May 4, 2011 for sale of 54 MW of power by AMNEPL from May 15, 2011 to June 30, 2011, for the time period between 00.00 hours to 24.00 hours, at the rate of 3.30 ₹/Kwh from May 15, 2011 to May 31, 2011 and 3.45₹/Kwh from June 1, 2011 to June 30, 2011.

The letter of intent for supply of power between RETL and MSEDCL was based on a tender through competitive bidding issued by MSEDCL dated November 29, 2010. AMNEPL and Reliance Energy Trading Limited (“RETL”) were joint bidders in this tender, pursuant to which AMNEPL entered into a letter of intent (“LOI”) with RETL, dated December 6, 2010. as per the LOI the sale of power to MSEDCL was originally supposed to be from January 15, 2011 to February 28, 2011, it was extended to May 15, 2011 to June 30, 2011 due to delay in commissioning and operation of the second unit of the MIHAN power plant.

According to the terms of the LOI the delivery point is MSETCL system. 2% of rebate on energy charges is available in case payment is made within due date (though rebate is not applicable to open access charges or compensation charges). A surcharge of 1.25 % per month on all outstanding payments made after 30th day from due date of payment shall be applicable for energy charges and open access payments. Open access charges, transmission losses, scheduling charges shall be paid by AMNEPL up to the point of delivery whereas such charges shall be paid by RETL beyond delivery point.

According to the LOI, if AMNEPL fails to supply 80% of the contracted quantum of power on monthly basis, then AMNEPL shall pay compensation to RETL at the rate of ₹ 2.00 per kwh for the quantum that falls short of 80% of the contracted quantum. If RETL fails to schedule 80% of the contracted quantum of power for which open access has been approved, then RETL shall pay compensation to RETL at the rate of ₹ 2.00 per kwh for the quantum that falls short of 80% of the contracted quantum of power.

8. Contract for onshore erection and commissioning between AMNEPL and APRL (originally AINL) dated July 4, 2008 and amendment contracts dated November 25, 2008 and May 25, 2009

AMNEPL has entered into a contract with APRL (originally AINL) dated July 4, 2008 which was amended by amendment contracts dated November 25, 2008 and May 25, 2009 (together the “Contract”) for the erection and commissioning services for the 4 x 61.5 MW thermal power project along with 25.6 MW DG set at Nagpur, Maharashtra. The contract price for the Contract is ₹ 1,008.90 million. The contract price is inclusive of freight, insurance and transportation that will be required for the completion of work. In the event any payment is not made when due, interest will be payable, on the amount overdue, at State Bank of India PLR + 2%. AMNEPL does not have any obligation to pay or verify payments to any sub-contractor. AMNEPL can withhold and set-off any amount owed by APRL to AMNEPL which is deemed reasonable by AMNEPL to protect itself from liability or loss from any payment due to APRL. APRL is responsible for all the means, methods, techniques, procedures and safety program in connection with the performance of the work. APRL will deliver to AMNEPL contract and performance guarantee, in the form of an unconditional and irrevocable bank guarantee and this will remain valid till the facility is taken over by AMNEPL. APRL have the right to sub-contract part of the scope of the works other sub-contractor subject to due intimation to AMNEPL and any approval sought from AMNEPL for appointment of sub-contractor will not be unreasonably withheld.

Events of Default

Under the Contract certain actions shall constitute APRL’s event of defaults. Such events include an event of insolvency, receivership, reorganization or a bankruptcy proceeding or a proceeding of a similar nature brought against APRL or wrongful refusal or material failure to execute the Contract, failure on the part of APRL to achieve provisional completion of the facility within 180 days of the completion schedule. Upon occurrence of any such event AMNEPL may itself complete the works or may employ any other contractor

to complete the job, at the risk and cost of APRL.

Liquidated damages and bonus payment

APRL will notify AMNEPL of any event or condition which might delay the completion of works under the Contract. If the delay is as a result of any of the specified grounds, due to which it is entitled to extension of time, the completion schedule may be extended by such reasonable time as AMNEPL may deem fit. In case of delay in the commissioning of each of the units 1, 2 and 3, APRL shall pay liquidated damages amounting to 0.25% of 25% of the contract price for each week of delay beyond their respective scheduled completion dates and in case of delay in commissioning of unit 4 beyond 18 months from the date of issue of delivery notice, APRL will pay liquidated damages amounting to 0.25% of 25% of the contract price for each week of delay beyond the agreed completion schedule. However, the overall liquidated damages will not exceed 5% of the contract price. The aggregate liability of APRL for liquidated damages for delay and shortfall in performance will not exceed 5% of the contract price. APRL shall be entitled to a bonus of 0.25% of 25% of the contract price for every week of early completion of each of the units. However, the early completion bonus will be payable if the date of completion is earlier than the scheduled date as mentioned in the completion schedule and is subject to an overall cap of 10% of the contract price. APRL is also liable to pay liquidated damages, subject to a maximum of 5% of the contract price, for any shortfall in performance. APRL is not entitled to any extension of time due to any variation required, unless the variations materially affect the schedule and in case of any change in the contract price due to such variation, such change in contract price will be payable as per the agreed schedule.

Variation

APRL is entitled for extension of completion schedule on specified grounds which *inter alia* include (i) any variation issued to the work under the Contract; (ii) force majeure; (iii) failure of AMNEPL to fulfill its obligations under the Contract; and (iv) any change in law which results in APRL being delayed in the execution of work.

Indemnity

APRL will indemnify and hold AMNEPL harmless for all losses arising from or in relation to the failure of APRL to conform to applicable law. AMNEPL has indemnified APRL, its sub-contractors including their officers from all claims, damages arising by reason of bodily injury, death or damage to property sustained by third party which is caused due to intentional or willful misconduct or gross negligence of AMNEPL including its employees and officers. APRL has indemnified AMNEPL or its agents, directors or employees against losses in respect of personal injury, illness or death and in respect of loss or damage of property which arises as a consequence of execution of the works under the Contract.

Termination and suspension

In the event AMNEPL fails to pay APRL any undisputed payment that continues for a period of 60 days after notice for the same is given, APRL may suspend work by giving a 10 days prior notice. AMNEPL may suspend work by giving APRL notice stating the nature, date and anticipated duration of the suspension. AMNEPL may terminate the Contract by giving a 45 days written notice in the event a default is not cured within a stipulated defects liability or warranty period or in case of a prolonged suspension of work for more than 90 days. Either party may terminate the Contract by giving a 45 days written notice, in case a force majeure event continues for a continuous period of more than six or nine months in a period of 12 months. In the event either the contract for onshore supply, contract for offshore supply or the contract for onshore civil and structural works is terminated or suspended, the Contract will also stand terminated or suspended, as the case may be and AMNEPL will give a notice of such termination to APRL.

Dispute resolution

All disputes under the Contract which cannot be amicably resolved will be referred to arbitration under the Arbitration and Conciliation Act, 1996 in Nagpur.

9. Contract for onshore supply of equipments between AMNEPL and APRL (originally AINL) dated July 4, 2008 and amendment contracts dated November 25, 2008, May 25, 2009, September 9, 2009 and January 1, 2010

AMNEPL has entered into a contract with APRL (originally AINL) dated July 4, 2008 which was amended by amendment contracts dated November 25, 2008, May 25, 2009, September 9, 2009 and January 1, 2010 (together the "Contract") for the supply of equipments for setting up the 4 x 61.5 MW thermal power project along with 25.6 MW DG set at Nagpur, Maharashtra. The contract price for the Contract is ₹ 5,299.30 million. In the event any payment is not made when due, interest will be payable on the amount overdue at the prime lending rate of State Bank of India plus 2%. APRL has the right to sub-contract part of the scope of the works to sub-contractor subject to due intimation to AMNEPL and any approval sought from AMNEPL for appointment of sub-contractor will not be unreasonably withheld. AMNEPL does not have any obligation to pay or verify payments to any sub-contractor. The contract price is inclusive of freight, insurance and transportation that may be required. AMNEPL can withhold and set-off any amount owed by APRL to AMNEPL which is deemed reasonable by AMNEPL to protect itself from liability or loss from any payment due to APRL. APRL will ensure that the equipment and materials supplied under the Contract are fit and suitable for its intended purpose. Any equipment or material which is not specifically mentioned in the Contract but required for the completion of the facility and for the normal operation of the facility, will be supplied free of cost to AMNEPL unless expressly excluded under the Contract. APRL will, at the cost of AMNEPL, in a timely manner, obtain all applicable permits as required to be obtained by APRL necessary for the completion of works under the Contract. APRL will, within the contract price, supply along with the equipments, such additional commissioning spares after making allowance to cover wastage during transportation, storage, handling or commissioning without any extra cost to AMNEPL. APRL will also supply special tools and appliances for the erection and maintenance of the facility and the equipments within the contract price. The title of the equipment and material will pass to AMNEPL when delivered on the site. APRL will deliver to AMNEPL contract performance guarantee, in the form of an unconditional and irrevocable bank guarantee and this will remain valid till the facility is taken over by AMNEPL.

Liquidated damages and bonus payment

APRL will notify AMNEPL of any event or condition which might delay the completion of works under the Contract. If the delay is as a result of any of the specified grounds on account of which it is entitled to extension of time, the completion schedule may be extended by such reasonable time as AMNEPL may deem fit. In case of delay in the commissioning of each of the units 1, 2 and 3, APRL shall pay liquidated damages amounting to 0.25% of 25% of the contract price for each week of delay beyond the respective scheduled completion dates for the units and in case of delay in commissioning of unit 4 beyond 18 months from the date of issue of delivery notice, APRL will pay liquidated damages amounting to 0.25% of 25% of the contract price for each week of delay beyond the agreed completion schedule. However, the overall liquidated damages will not exceed 5% of the contract price. The aggregate liability of APRL for liquidated damages for delay and shortfall in performance will not exceed 7.5% of the contract price. APRL shall be entitled to a bonus of 0.25% of 25% of the contract price for every week of early completion of each unit. However, the early completion bonus will be payable if the date of completion is earlier than the scheduled date as per the completion schedule and is subject to an overall cap of 10% of the contract price. APRL is also liable to pay liquidated damages, subject to a maximum of 5% of the contract price, for any shortfall in performance. APRL is not entitled to any extension of time due to any variation required, unless the variations materially affect the schedule and in case of any change in the contract price due to such variation, such change in contract price will be payable as per the agreed schedule.

Variation

APRL is entitled for extension of completion schedule on specified grounds which *inter alia* include (i) any variation issued to the work under the Contract; (ii) force majeure; (iii) failure of AMNEPL to fulfill its obligations under the Contract; and (iv) any change in law which results in APRL being delayed in the execution of work.

Indemnity

APRL will indemnify and hold AMNEPL harmless for all losses arising from or in relation to the failure of APRL to conform to applicable law. AMNEPL will indemnify APRL, its sub-contractors including their officers from all claims, damages arising by reason of bodily injury, death or damage to property sustained by third party which is caused due to intentional or willful misconduct or gross negligence of AMNEPL including its employees and officers. APRL will indemnify AMNEPL or its agents, directors or employees against losses in respect of personal injury, illness or death and in respect of loss or damage of property which arises as a consequence of execution of the works under the Contract.

Termination and suspension

In the event AMNEPL fails to pay APRL any undisputed payment that continues for a period of 60 days after notice for the same is given, APRL may suspend work by giving a 10 days prior notice. AMNEPL may suspend work by giving APRL notice stating the nature, date and anticipated duration of the suspension. AMNEPL may terminate the Contract by giving a 45 days written notice in the event a default of APRL is not cured within a stipulated period or in case of a prolonged suspension of work for more than 90 days. Either party may terminate the Contract by giving a 45 days written notice, in case a force majeure event continues for a continuous period of more than six or nine months in a period of 12 months. In the event either the contract for onshore erection and commissioning, contract for civil and structural works and contract for offshore supply is terminated or suspended, the Contract will also stand terminated or suspended, as the case may be and AMNEPL will give a notice of such termination to APRL. If however, APRL has incurred liquidated damages in excess of those agreed in the Contract, then AMNEPL shall terminate the Contract, by providing a notice, but without releasing APRL from any of its obligations and liabilities which have accrued from the date of termination of the Contract and without affecting the rights of AMNEPL under the Contract.

Dispute resolution

All disputes under the Contract which cannot be amicably resolved will be referred to arbitration under the Arbitration and Conciliation Act, 1996 in Nagpur.

10. Contract for offshore supply between AMNEPL and APRL (originally AINL) dated July 4, 2008 and amendment contracts dated November 25, 2008, May 25, 2009, September 9, 2009 and January 1, 2010

AMNEPL has entered into a contract with APRL (originally AINL) (collectively the "Parties") dated July 4, 2008 which was amended by amendment contracts dated November 25, 2008, May 25, 2009, September 9, 2009 and January 1, 2010 (together the "Contract") for supply of imported equipments and materials including recommended spares and other items as agreed upon for the 4 x 61.5 MW capacity along with 25.6 MW DG set thermal power plant to be located at Nagpur in Maharashtra. The consideration for the Contract is ₹ 2,326.40 million which is inclusive of freight, insurance and transportation that may be required for the completion of the scope of work. In the event payment is not made when due, interest shall be payable on the amount overdue at the rate of State Bank of India PLR +2%.

The Contract, *inter alia*, provides that:

- (i) APRL has the right to subcontract part of the work to sub-contractor with due intimation of AMNEPL and any approval sought from AMNEPL for appointment of sub-contractor will not be unreasonably withheld.
- (ii) All taxes and duties arising on the income of APRL shall be borne by APRL. All taxes and duties arising out of import of material in India, shall be borne by AMNEPL. APRL would indemnify and hold harmless AMNEPL from and against any delay in clearance of the imported equipment and materials due to faulty documentation or mis-declaration or any reason attributable to APRL.

AMNEPL shall pay custom duty as per applicable rate computed on CIF value specifically indicated in the contract price in this contract

- (iii) APRL will provide corporate or bank guarantee to AMNEPL.
- (iv) APRL will be responsible to obtain all the licenses and permits, at its own costs, for the re-exportation and subsequent re-importation of any imported equipment and materials.
- (v) APRL is liable to pay liquidated damages in the event of delay in and for shortfall in performance. The liquidated damages for delay shall be calculated on the following basis:
 - (a) For delay in commissioning of each of the units 1, 2 and 3: 0.25% of 25% of the consideration price for each week of delay beyond the respective agreed completion schedule; and
 - (b) For delay in commissioning of additional unit beyond 18 months from date of issue of delivery notice: 0.25% of 25% of the consideration price for each week of delay beyond the agreed completion schedule

Liquidated damages shall not exceed 5% of the consideration price. The payment of liquidated damages shall not relieve APRL liquidated damages for delay and shortfall in performance under the Contract would not exceed 7.5% of consideration price. No party shall be liable to the other for indirect or consequential damages and for any revenue, loss of profits, loss of use, costs of its capital or loss resulting from liability of the party to any other party for any financial or economic loss.

- (vi) AMNEPL has the right to vary the scope and technical character of the project, unless it has a material adverse effect on APRL's ability to meet the performance guarantee or the completion schedule or is not technically feasible.
- (vii) All disputes regarding the Contract shall be resolved through arbitration under the Arbitration and Conciliation Act, 1996 in Nagpur.

The Contract will terminate in the event of termination of either of the contract for erection and commissioning, contract for civil and structural works or contract for onshore supply. AMNEPL has the right to terminate the Contract by giving a notice of 45 days, in the event of a default by APRL, or prolonged suspension of the work for a period exceeding 90 days. AMNEPL may terminate the Contract at its convenience by giving APRL a notice of 60 days. Either party may, by giving a notice of 45 days, terminate the Contract in the event a force majeure situation continues for a period of more than six months or nine months in a period of 12 months. In the event of default by APRL, AMNEPL shall not be liable to make any further payments to APRL and APRL shall be liable to return any excess amount received by it under the Contract.

11. Contract for civil and structural works between AMNEPL and APRL (originally AINL) dated July 4, 2008 and amendment contracts dated November 25, 2008 and May 25, 2009

AMNEPL has entered into a contract with APRL (originally AINL) dated July 4, 2008 which was amended by amendments contracts dated November 25, 2008 and May 25, 2009 (together the "Contract") for civil construction, structural design and engineering, structural fabrication, including supply of materials and services as agreed upon for the 4 x 61.5 MW capacity along with 25.6 MW DG set, thermal power plant to be located at Nagpur, Maharashtra. The consideration for the Contract is ₹ 1,805.40 million and such consideration is exclusive of all piling works for the project. In the event payment is not made when due, interests on the amount overdue at the rate of State Bank of India PLR +2%.

The Contract, *inter alia*, provides that:

- (i) APRL has the right to subcontract part of the work (except as expressly permitted in the Contract) to other sub contractor with due intimation of AMNEPL and any approval sought from AMNEPL for appointment of sub-contractor will not be unreasonably withheld.
- (ii) All taxes and duties arising on the income of APEL shall be borne by APRL. All taxes and duties arising out of import of material in India, shall be borne by AMNEPL. APRL and its subcontractors will be liable for the sub-contractors taxes.
- (iii) APRL has to provide corporate or bank guarantee to AMNEPL.
- (iv) APRL is responsible to obtain all the licenses and permits, at the cost of AMNEPL.
- (v) APRL is liable to pay liquidated damages in the event of delay in and for shortfall in performance. The liquidated damages for delay shall be calculated on the following basis:
 - (a) For delay in commissioning of each of the units 1, 2 and 3: 0.25% of 25% of the consideration price for each week of delay beyond their respective agreed completion schedule; and
 - (b) For delay in commissioning of additional unit beyond 18 months from date of issue of delivery notice: 0.25% of 25% of the consideration price for each week of delay beyond the agreed completion schedule

The liquidated damages would not exceed 5% of the consideration price. The payment of liquidated damages shall not relieve APRL of any of its obligations under the Contract. APRL's aggregate liability for liquidated damages for delay and shortfall in performance under the Contract shall not exceed 10% of consideration price. No party shall be liable to the other for indirect or consequential damages and for any revenue, loss of profits, loss of use, costs of its capital or loss resulting from liability of the party to any other party for any financial or economic loss.

 - (c) AMNEPL has the right to vary the scope and technical character of the project, unless it has a material adverse effect on APRL's ability to meet the performance guarantee or the completion schedule or is not technically feasible.
 - (d) All disputes regarding the Contract shall be resolved through arbitration in accordance with Arbitration and Conciliation Act, 1996 in Nagpur.

The Contract shall terminate in the event of termination of contract for onshore supply, contract for offshore supply or contract for onshore erection and commissioning is. AMNEPL has the right to terminate the contract by giving a notice of 45 days, in the event of a default by APRL or prolonged suspension of the work for a period exceeding 90 days. Either party may, by giving a notice of 45 days, terminate the Contract in the event a force majeure situation continues for a period of more than six months or nine months in a period of 12 months.

12. Lease deed between MADC and AMNEPL dated June 16, 2010

AMNEPL and MADC, (collectively the "Parties") have entered into a lease deed dated June 16, 2010 (the "Lease Deed") for lease of land measuring 35.03 hectare (the "Land") situated in village Khairi Khurd, P.H. No. 50-A, district Nagpur, Maharashtra for the purpose of establishing, operating and maintaining a 246 MW thermal power plant for supply power to MIHAN SEZ on priority basis and to supply power to MIHN non SEZ area and other customers for a consideration of ₹ 227.69 million paid by AMNEPL to MADC and MADC has received ordinary shares of ₹ 10 each at par in lieu thereof. The lease is for a period of 33 years starting from January 7, 2009. The tenure of the lease is co-terminus with the

Concession Agreement between AMNEPL and MADC dated November 7, 2007 (the “Concession Agreement”), and shall terminate automatically with the expiry or early termination of the Concession Agreement or on expiry of the period of three months from the execution of the lease deed provided that the shareholders’ agreement entered into between MADC and the project sponsor (as defined in the Concession Agreement) is not executed within this period.

The Lease Deed, *inter alia*, provides that:

- (i) AMNEPL shall use the Land exclusively for the purpose of setting up the 246 MW power plant, at its own cost in accordance with the terms of the Concession Agreement and the Central and State acts and other rules and regulations prescribed from time to time, and according to the plans, specifications, elevations, designs and sections approved by MADC and as per the sanction of the concerned local/planning authorities;
- (ii) AMNEPL shall not claim any of the rights relating to the SEZ status of the unit under the Concession Agreement. As the Land is not falling under the SEZ area and the MIHAN SEZ, it is not entitled under the SEZ Act, 2005 and SEZ rules. The Concession Agreement will stand modified in relation to the change in capacity of the power plant from 200 MW to 246 MW;
- (iii) AMNEPL shall pay the lease rent equivalent to an amount of ₹ 3,549 per annum for an area of 35.03 hectares and revenue share on sale of power is payable as per the terms of the Concession Agreement;
- (iv) AMNEPL shall not make an excavation on the Land without the prior permission of the competent authority, except excavation done for laying foundation of buildings and other similar activities related to the purpose of executing any work pursuant to the terms of the Concession Agreement;
- (v) AMNEPL shall at all times observe and conform to all laws, rules and regulations of Central, state, municipal or any local authority. AMNEPL shall also ensure that all works relating to the Land, such as, construction of any building or any structures shall comply with the requirements under applicable law and obligations imposed by bye-laws regardless of these conditions being imposed by MADC;
- (vi) AMNEPL shall not make alterations or additions to the façade or elevation of any building/buildings without the prior written approval of MADC and a no objection certificate obtained from the competent authority as per the concerned development control regulations and other applicable rules and regulations;
- (vii) AMNEPL shall not undertake any activity in relation to any building or any structure erected on the Land which is unlawful, illegal or immoral and which may be considered offensive or to be of any nuisance, annoyance or disturbance or injurious or offensive to MADC, owners, occupiers or residents of other premises in the vicinity;
- (viii) MADC shall have the right to re-enter upon the whole or any part of the Land in the event AMNEPL fails to pay rent or any recurring fees or services charges payable by AMNEPL to MADC;
- (ix) The lease shall terminate in the event in the event AMNEPL uses the Land for a purpose other than setting up the 246 MW power plant in accordance with the Concession Agreement; and
- (x) All disputes shall be resolved and settled through arbitration.

Actions which constitute event of default by AMNEPL include:

- (a) Using or permitting or causing to use the Land for purposes other than development, operation and

maintenance of the 246 MW power plant;

- (b) Failure to comply with all the covenants in the Lease Deed or conditions of lease or a breach of the terms of the Concession Agreement;
- (c) AMNEPL doing or permitting to be done any act or deed in violation of applicable law;
- (d) Executing a sub lease in respect of the Land which is not in conformity with the terms of the agreement or the applicable law;
- (e) Mortgaging, assigning or otherwise charging its rights in the leasehold interest of any portion in favour of any third party otherwise than in relation to a third party;
- (f) Setting up title adverse to that of MADC or in third person or claiming absolute title for itself.

13. Lease deed between MADC and AMNEPL dated November 26, 2008

AMNEPL and MADC (collectively the “Parties”) have entered into a lease deed dated November 26, 2008, (“Lease Deed”) for lease of land measuring 6.2654 hectare (the “Land”) situated and lying in MIHAN SEZ project in village, Dahegaon for setting up a 25.6 MW diesel generator set and transmission and distribution system in the MIHAN SEZ. The said land is being transferred in pursuance of the Concession Agreement between AMNEPL and MADC dated November 7, 2007 (the “Concession Agreement”) and in consideration of the premium of ₹ 40.72 million paid by AMNEPL to MADC in the form of equity shares. The lease is for a period of 33 years commencing from November 26, 2008 and the tenure of the lease is co-terminus with the Concession Agreement, and shall terminate automatically with the expiry or early termination of the Concession Agreement or on expiry of the period of three months from the execution of the lease deed provided that the shareholders’ agreement entered between MADC and project sponsor (as defined in the Concession Agreement) is not executed within this period.

The Lease Deed, *inter alia*, provides that:

- (i) AMNEPL shall use the Land exclusively for the purpose of setting up the 25.6 MW Diesel Generator set (“DG set”) and transmission and distribution system, at its own cost and in conformity with the MIHAN Area Land Use and Development Control Rules and SEZ Act, 2005 and SEZ Rules, 2006, State Acts and other rules and regulations and according to plans and specifications sanctioned by MADC;
- (ii) AMNEPL shall not make an excavation on the land without the prior permission of the competent authority, unless the changes are made for the purpose of executing any work pursuant to the terms of the Concession Agreement;
- (iii) AMNEPL shall not erect any structure on any portion of the Land without approval of executive engineer of MADC in charge of the MIHAN project, in accordance with the Concession Agreement and estate regulations and building rules;
- (iv) AMNEPL shall not make an alterations or additions to the façade or elevation of any building without the prior approval in writing of executive engineer (MADC) and a no objection certificate obtained from the competent authority in the concerned development control regulations and other applicable rules and regulations;
- (v) AMNEPL shall not alter the location of the sewer, water, telecommunication and other connection except with the prior approval of MADC;
- (vi) AMNEPL shall not undertake any activity in relation to any building or any structure erected on the Land which is unlawful, illegal or immoral and which may be considered offensive or to be of

any nuisance, annoyance or disturbance or injurious or offensive to MADC, owners, occupiers or residents of other premises in the vicinity;

- (vii) AMNEPL shall indemnify MADC against any claim and against all actions, suits and proceedings and all costs, charges, expenses, losses and damages which may be sustained by MADC or which may arise by the reason of breach or non performance by AMNEPL of its obligations under the Concession Agreement or the applicable law;
- (viii) AMNEPL shall deliver to the MADC the Land, upon the end of term of the lease and it shall ensure that the land is leveled and put in good order and condition to the satisfaction of MADC;
- (ix) AMNEPL shall not assign, underlet or part with the possession of the Land or any fixtures or buildings on it, without the prior written consent of MADC;
- (x) AMNEPL shall send a notice of assignment or transfer of the Land or any part thereof, within 20 days from the date of execution or registration of such lease, assignment or transfer, whichever is earlier; and
- (xi) In the event MADC is required to pay any increase in price or compensation to the original owners for the land acquired for MIHAN, due to any order in relation to claims and proceedings, AMNEPL shall pay pro rata increase in price as MADC may stipulate and allocate to the said land.

Actions which constitute event of default by AMNEPL include:

- (a) Failure to pay to MADC the lease rent in accordance to the provisions of the Lease Deed;
- (b) Using or permitting or causing to use Land for purposes other than development, operation and maintenance of the 25.6 MW DG set;
- (c) Failure to comply with all the covenants of the Lease Deed or any breach of the terms of the Concession Agreement;
- (d) Mortgaging, assigning or otherwise charging its rights in the leasehold interest of any portion in favour of any third party otherwise than in relation to a third party;
- (e) Setting up title adverse to that of MADC or in third person or claiming absolute title for itself; and
- (f) Any breach or default of the terms and conditions of the terms of the lease.

Other agreements

1. Shareholders' agreement between MADC, Abhijeet Infrastructure Limited, our Company and AMNEPL dated April 2, 2009

AINL was a party to this Agreement, and our Company is a party to this Agreement by virtue of the amalgamation of the power business of AINL into our Company pursuant to the Composite Scheme of Arrangement.

MADC, Abhijeet Infrastructure Limited ("AIL"), our Company (originally AINL) and AMNEPL have entered into a shareholders' agreement dated April 2, 2009 (the "AMNEPL SHA") to regulate their relationship and certain aspects of AMNEPL and AMNEPL has agreed to exercise its rights and obligations under the AMNEPL SHA. AMNEPL was incorporated to undertake the development of a coal based electric generation plant of 1 x 50 MW and all activities incidental thereto alongwith the operation and maintenance of the transmission and distribution network and supply of electricity to consumers with first

priority in power supply to consumers in the MIHAN SEZ Area. MADC and AMNEPL have entered into a concession agreement dated November 7, 2007 (the “Concession Agreement”) pursuant to which MADC has granted AMNEPL the concession and the right to undertake the aforementioned project. AMNEPL has undertaken the business of development, design, finance, construction, operation and maintenance of the project and the activities required for AMNEPL to perform its obligations and other ancillary or related activities contemplated for AMNEPL under the Concession Agreement.

Lease of land

On the execution of the AMNEPL SHA, AMNEPL was to issue equity shares to MADC and other shareholders’ equity share in the agreed proportion and amend its constitutional documents to reflect the provisions of the AMNEPL SHA. Further MADC has entered into a lease deed with AMNEPL for the concession period for the lease of 62.5 hectares for the power project at ₹ 6.5 million per hectare, in consideration of which, MADC was issued equity shares. MADC was to provide bottom ash land of 10 hectares on lease to AMNEPL. In the event MADC procures bottom ash land, AMNEPL would allot equity shares to MADC equivalent to actual price of purchase by MADC plus 10% overheads on the actual purchase price and in case AIL or our Company procures bottom ash land on behalf of MADC, MADC shall pay to AIL or our Company the actual purchase price plus 1% overhead on the actual purchase price. AMNEPL would allot equity shares to MADC equivalent to, actual cost to MADC plus 10% overheads on the actual cost to MADC. Such shares issued in consideration of lease of land were deemed to be fully paid up share in the capital of AMNEPL.

In the event additional land is required for the power project, such land will be valued at the then current market value and the land so transferred will be taken as equity contribution from MADC. In the event the contribution in the form of land from MADC exceeds 26%, AMNEPL will pay lease premium and rent to the extent of the excess land to MADC. In the event such contribution is less than 26%, then MADC has the following three options to maintain the equity to the extent of 26% of the total equity:

- (i) Subject to the ascertainment of the total project cost, purchase of compulsorily convertible preference shares of AMNEPL from AIL or our Company;
- (ii) Cash contribution; and/or
- (iii) Adjustment against any payment due from AMNEPL to MADC.

Finance of AMNEPL and transfer restrictions

The shareholders have agreed to subscribe to the equity shares of AMNEPL such that MADC, alongwith their associates holds at least 26% of the equity share capital up to the completion of 45 days from the commercial operation date (“MADC shares”) and AIL shall hold not less than 51% in the issued capital (“AIL shares”) up to a period of two years from the commercial operation date and our Company or other shareholders shall hold the remaining balance portion of the issued capital. On the commercial operation date and within 45 days from the date of finalisation of the total project cost, AIL shall hold not less than 26% of the issued and subscribed capital and MADC has the right to hold up to 26% of the issued and subscribed capital. It is agreed that any amount required for the completion of the power project facility beyond the equity share capital, will be contributed by AIL or our Company through 18% compulsorily convertible preference shares which are to be converted into equity shares within 90 days from the commercial operation date.

AIL will hold a minimum of 51% of the subscribed, paid up capital of AMNEPL up to two years from the commercial operation date and thereafter a minimum of 26% will be held by AIL. However, our Company has been given the right to exercise the voting rights of the equity shares of AMNEPL held by AIL subject to certain conditions, being that:

- (i) This right is subject to the obligations under the Concession Agreement;

- (ii) Minimum holding of 51% of equity shares by AIL;
- (iii) Rights and obligations of MADC not getting affected in any manner whatsoever;
- (iv) The exercise of voting rights by our Company is always be in the best interests of AMNEPL;

In the event of breach of obligations of our Company, as mentioned above, which renders AIL being unable to discharge its duties under the Concession Agreement, AIL is required to revoke our Company's right to vote on equity shares held by AIL, and our Company shall not exercise AIL's voting rights.

Further, if MADC notices any material breach of the provisions of the Concession Agreement affecting the implementation of the project or of this AMNEPL SHA due to AIL's voting rights being used for beneficial interest of our Company, MADC may ask AIL to vote and our Company shall not exercise voting rights of AIL.

Two years after the commercial operation date, each Party will be entitled but not obliged to sell, transfer, assign or dispose of the shares held, to any third party. Such transfer will be subject to certain conditions, which include, *inter alia*, that prior to such transfer, other Parties shall be informed of the number of share proposed to be transferred. In the event either AIL or our Company propose to transfer shares which will result in change of management, then such transfer can be made only to a person of equal competence and subject to receipt of written approval from MADC, that will not be unreasonably withheld. In case of a transfer by a MADC or AIL, the transferor shall first offer the shares to the other and the transferor will be entitled to transfer the shares to a third party in the event the MADC or AIL, as the case may be, does not exercise its right to purchase the shares, subject to the execution of a deed of adherence. The other, being either MADC or AIL, shall have the right to require the transferee to purchase from it, on the same terms, up to a maximum number of equity shares held by the transferee multiplied by a fraction. The numerator of the fraction will be shares proposed to be transferred by the transferor and the denominator shall be the total number of shares held by the transferor. This would be applicable in the case of AIL or our Company only when the combined shareholding of AIL and our Company falls below 51% of the total share capital of AMNEPL and where AMNEPL is the transferor, only in the event that shareholding of MADC in AMNEPL falls below 17.9%. All shares held by MADC will be transferred to AIL for a consideration of the transfer of all the assets of AMNEPL to MADC at the end of the concession period.

In the event the project cost incurred increases due to factors under the control of AMNEPL and not due to change in project requirements, then the other shareholders, excluding MADC have agreed to fund or cause their affiliate to fund the difference (the "Shareholders Loan"). The shareholders, other than MADC agree that AMNEPL will not pay any interest on the Shareholders Loan, repay or prepay the Shareholders Loan to AMNEPL or to agree to recall or set off of any Shareholder Loan without the prior written consent of lenders, to convert any Shareholder Loan into any form of equity contribution or create any security in favour of the provider of the Shareholder Loan, except with the consent of the lenders and to convert the Shareholders Loan from non interest bearing subordinate debt.

The board of directors and reserved matters

MADC has the right to nominate one director throughout the concession period irrespective of its shareholding and AIL or our Company alongwith their affiliates have the right to appoint three directors on the board of AMNEPL. The shareholders have agreed to procure that AMNEPL will not take any action of certain matters without the written approval of MADC during the concession period and beyond the construction period, until MADC holds not less than 11% in AMNEPL. Such reserved matters include *inter alia*:

- alteration of the constitutional documents;
- change in the business of AMNEPL whether by opening or closing any business operation, merging or acquiring any entity;

- entering into, revoking or varying any project agreement, alteration or modification of the project structure and financing plan or transfer or disposal of all or part of the business or assets of AMNEPL where such asset exceeds ₹ 50 million in any period of six months;
- creation or transfer of any loan capital or shares in AMNEPL which is not in accordance with the financing plan;
- otherwise than towards working capital facilities, borrowing any money otherwise than in accordance with the financing plan;
- consolidation, subdivision or alteration of any rights attached to any share capital of AMNEPL, purchase of its own shares by AMNEPL, reorganisation of the share capital; and
- approving the dividend policy of AMNEPL.

Dividend policy

The shareholders of AMNEPL will procure AMNEPL to distribute by way of dividend, in each financial year, the maximum permissible amount under the Companies Act, subject to the cash requirements of AMNEPL, its expansions and statutory and contractual obligations and approval of the lenders, if required. AMNEPL will give due consideration to all practical methods of extracting realised value from AMNEPL, subject to applicable law.

Indemnity

AMNEPL has agreed to indemnify and hold MADC and its affiliates, employees, officers and representatives harmless against all losses, claims, judgments to which MADC, AIL and/ or their affiliates employees, officers and representatives which relate to any inaccuracy or misrepresentation of any warranty or representation under the Concession Agreement or AMNEPL SHA, any claim made by any director for loss of office, any claim against AMNEPL relating to infringement of any third party intellectual property rights, any loss arising from or related to the design, finance, construction, operation, maintenance and marketing of the project.

Term and termination

The AMNEPL SHA will be valid for the time that the Concession Agreement subsists and will terminate upon the termination of the Concession Agreement. In the event any of the shareholders cease to hold any share in the share capital of AMNEPL which is not in accordance with the AMNEPL SHA, the AMNEPL SHA will stand terminated vis-à-vis that shareholder. The AMNEPL SHA does not affect the rights, responsibilities and liabilities of the shareholders under specific provisions of the Concession Agreement and the Parties agree to give effect to such clauses of the Concession Agreement.

II. Corporate Power Limited

Project specific contracts for the Chandwa Power Project

1. The memorandum of understandings between the GoJ and Corporate Ispat dated March 26, 2004, and addendums dated January 22, 2007 and October 26, 2007

The Government of Jharkhand and Corporate Ispat (collectively referred to as the “Parties”) executed a memorandum of understanding dated March 26, 2004 which was amended by an addendums dated January 22, 2007 and October 26, 2007 (together the “MoU”) for setting up of a 1,215 MW power plant in the state of Jharkhand with a proposed investment of around ₹ 53,600 million. The MoU is valid for a period of 36 months from the date of signing, during which period it will be converted into a definitive agreement. CPL has, by a letter dated September 14, 2010, made an application to the GoJ for extension of term of this

MoU for a period of three years and has requested that an addendum to the MoU be issued for an additional capacity of 525 MW, such that the aggregate capacity of the power plant be 1,740 MW. Under the terms of the memorandum of understanding dated January 22, 2007 the capacity of the proposed power plant was envisaged to be 250 MW, which was increased to its present capacity of 1,215 MW by the memorandum of understanding dated October 26, 2007. The tentative schedule of commissioning is also envisaged in the MoU.

The power plant is to be commissioned within 36 months from the date of possession of required land from the GoJ. The GoJ will assist in selecting the coal blocks within the state of Jharkhand and will recommend to the GoI for allocation of suitable coal blocks in favour of Corporate Ispat for captive coal mining for the proposed 2nd phase of the project and Corporate Ispat undertakes not to carry such coal outside the state. The GoJ will also assist in obtaining land and the cost of acquisition shall be borne by Corporate Ispat. The GoJ will also permit drawal of required quantity of water for the proposed power project from the nearby river, dam or reservoir. The GoJ will facilitate strengthening roads and make available necessary power on payment during the construction phase of the proposed power project. Corporate Ispat will conduct a rapid environment impact assessment and prepare an environment management plan and GoJ shall provide reasonable assistance by providing data available with it. The GoJ shall facilitate connecting the proposed power project to PGCIL grid for evacuation of power. The GoJ or distribution licensee authorised by it shall have the first right of claim on purchase of up to 25% of power delivered to the system in terms of the power purchase agreement to be mutually agreed between the Parties on the basis of existing laws and regulations in force and the tariff for such power purchase will be determined by the appropriate regulatory commission. Corporate Ispat has the right to sell the balance power outside the state of Jharkhand and in the event the GoJ or its designated licensee is unable to honour the terms of the power purchase agreement, then Corporate Ispat will have the right to sell the entire power outside the state of Jharkhand. Corporate Ispat can supply power directly to bulk consumers of the state at mutually agreed tariff and terms and conditions.

The MoU records the understanding that GoJ has moved the GoI for a policy decision for making available to the state of Jharkhand 12% of the total power generated at a variable cost by Corporate Ispat and an appropriate legal mechanism to allow the generating states to levy duty on power produced so that equitable distribution of resources generated between consuming and generating states and any duties or concessions applicable shall be applicable to the power plant of Corporate Ispat.

The GoJ has agreed to forward the proposal of Corporate Ispat for obtaining a no objection certificate through the state pollution control board and forest department for construction of the power plant and agrees to forward the proposal of Corporate Ispat for obtaining necessary clearances from the GoI. Under the terms of the MoU, Corporate Ispat has agreed to an annual contribution at 6 paise per unit of the energy unit sent out from the power plant towards the environment management fund (not for the energy sold in the state of Jharkhand). The GoJ will extend incentives and concessions as per policies and Corporate Ispat is responsible for resettlement and rehabilitation of affected families. The manpower will be recruited as far as possible from the state of Jharkhand.

2. Fuel supply agreement between CPL and Corporate Ispat dated March 11, 2009 and amendment agreements dated May 27, 2010 and September 29, 2010

Corporate Ispat has vide an allocation letter dated September 2, 2005, been allocated the Chitarpur coal block and the supply of fuel by Corporate Ispat to CPL has been approved by the Ministry of Coal. CPL has entered into a fuel supply agreement dated March 11, 2009 which was amended through two agreements dated May 27, 2010 and September 29, 2010 (the "FSA") with Corporate Ispat (collectively the "Parties"). CPL is setting up power generation facilities of 1,740 MW comprising four units of 270 MW and a single unit of 660 MW ("project"). The FSA will expire on the completion of 25 years from the first delivery date, unless it is terminated in accordance with the terms of the FSA. CPL has the right to set-off any amount owing and outstanding to Corporate Ispat against the payments due and outstanding by CPL to Corporate Ispat. The price of the fuel is as per the formula agreed in the FSA (Re. 0.0001719 per Kcal/kg x fuel delivered x average GCV of the fuel supplied).

Fuel

Corporate Ispat has undertaken to supply fuel primarily from the washery at the mine of Corporate Ispat and has the right to supply fuel from other sources. The contract quantity which has been agreed to be supplied per operating year is equivalent to the fuel required for generation of electricity for the power plant at plant load factor of 90% at station heat rate of 2,300kCal/kWh (i.e. $1740 \times 90\% \times 1000 \times 365 \times 24 \times 2300$ / GCV of the fuel) less any fuel received by CPL from other sources, subject the minimum contract quantity. The Parties will agree on the schedule of quantities to be supplied by Corporate Ispat each month, three months prior to the first delivery date and thereafter three months prior to the commencement of each operating year. CPL has the right to revise the scheduled quantity over and above the scheduled quantity by giving a notice of six months prior to the commencement of any operating work. The quality performance parameter of the coal to be supplied is GCV of 3,200 -3,700 kcal/kg with the size of the fuel (-) 30 mm. In the event, Corporate Ispat is unable to supply the daily minimum quantity required per day from the washery for reasons other than force majeure event or as a result of the breach by Corporate Ispat of any of its obligations under the FSA, Corporate Ispat would be obliged to supply fuel from other sources to the extent of the failure to supply the daily minimum required per day. CPL is obliged to receive and pay for, or pay for if not taken, 100% of the minimum contract quantity less any quantity of fuel not made available during the operating year by Corporate Ispat. In the event CPL is unable to take delivery of all or any part of the quantity in accordance with the requirements mentioned, CPL may request an amendment to the schedule of requirement to take delivery or part of the delivery. Corporate Ispat shall be obliged to consent to such amendment. CPL has the right to purchase fuel from other sources in certain circumstances which include if the level of fuel at the power plant end stock falls below the level of 10 days except when the same is due to force majeure; in the event of failure of Corporate Ispat to replenish the power plant within any specified replenishment period or in any other case where CPL faces a shortfall in the quantity of fuel for fueling the power plant due to enhanced generation or consumption of fuel beyond the daily minimum required quantity, but with no liability on the part of Corporate Ispat. In the event the fuel cost from other sources is at a higher cost than the fuel cost at which fuel is being received under the FSA, CPL is entitled to recover the difference in cost from Corporate Ispat, as per the formula in FSA. The fuel will be used exclusively for the purpose of the power plant and CPL will not supply or dispose of the fuel in any other manner.

Payments and indemnity

On or before the first delivery date, CPL is required to deliver to Corporate Ispat a security deposit equal to two months transfer price of the fuel for the immediately succeeding contract year by way of a bank guarantee, which may be increased in the event of a revision in the price. On or before the first delivery date, Corporate Ispat has provided CPL a security deposit equal to one month estimated transfer price of the fuel for the immediately succeeding contract year. The transfer price for the fuel is Re. 0.0001719 per kcal/kg multiplied by fuel delivered and the average GCV of the fuel supplied. This transfer price will be revised upward by 5% on every 1st of April and will be applicable till the immediately succeeding March 31, and the first revision was due on April 1, 2009.

Corporate Ispat will indemnify CPL for any losses or liabilities incurred by it arising out of the FSA except to the extent the same is due to a negligent act or omission or breach on the part of CPL. CPL shall indemnify Corporate Ispat for losses and liabilities arising in relation to the FSA except to the extent the same is due to a negligent act or omission or breach on the part of Corporate Ispat. Neither party nor their respective affiliates, directors, officers, agents or employees shall be liable for indirect or consequential losses.

Events of default, suspension and termination

The events of default as regards Corporate Ispat includes: (i) a material breach by Corporate Ispat; (ii) any order of insolvency or appointment of liquidator or receiver which is not vacated in 120 days; (iii) failure to supply any scheduled quantity in each of any 12 months in any continuous period of 18 months; (iv) failure of Corporate Ispat to pay for amounts due. The events of default as regards CPL include: (i) failure of CPL to make payment upon expiry of 60 days from due date after a notice has been issued; (ii) a material

breach; (iii) any order of insolvency or appointment of liquidator or receiver which is not vacated in 120 days; (iv) Failure to receive fuel even after passage of three months from the first delivery date. In case an event of default is not cured for a period of 180 days after a notice of occurrence has been issued, the non-defaulting party may terminate the FSA.

The FSA will stand terminated in the event of sale of the power plant or in the event of foreclosure by any financing parties by enforcement of collateral security. In the event a force majeure event subsists for a continuous period of 365 days, either party may terminate the FSA, by providing a 30 days written notice. In the event, CPL is unable to operate the power plant at its full capacity due to circumstances beyond its control, the FSA will stand suspended to the extent it is unable to perform its obligations under the FSA.

All disputes will be settled under the Arbitration and Conciliation Act, 1996, in Nagpur.

3. Power purchase agreement between Lanco Power Trading Limited and CPL dated April 14, 2010

CPL and Lanco Power Trading Limited (“LPTL”) (collectively the “Parties”) have entered into a power purchase agreement (the “PPA”) dated April 14, 2010 (the “Effective Date”), for the sale and purchase of electricity of 540 MW (first two units of 270 MW each), net of auxiliary consumption and transmission losses, from the 1,080 MW thermal power station (“Facility”) being set up by CPL at Latehar district of Jharkhand. The term of the agreement is for 25 years from the Effective Date, unless the PPA is terminated mutually or by either of the Parties, exercising their right to terminate, as per the terms of the PPA. Either Party may extend the PPA by notification 180 days prior to the expiry to the other party that it wishes to extend the agreement for five years or more.

Conditions precedent

The PPA will terminate unless the Parties fulfill certain condition precedents specified in the PPA which *inter alia* require CPL to (i) execute a fuel supply agreement and provide a copy of the same provided to LPTL within 24 months of the Effective Date; (ii) obtain the necessary permissions for long term open access for the transmission system from the injection up to the delivery point (the metering point at the nearest central transmission utility interconnection point); (iii) execute a transmission service agreement with the central transmission utility for transmission of power from the injection point upto the delivery point and provide a copy of the same to LPTL; (iv) award engineering, procurement and construction contract (“EPC contract”) or main plant contract for boiler, turbine and generator (“BTG”) for setting up of power station; (v) achieve financial closure; and (vi) issue notice to proceed under the construction contracts entered into for the power station within 24 months of the Effective Date.

Obligation of the Parties

CPL is required to sell and LPTL is required to purchase, the entire contracted capacity (entire capacity, being not less than the net of auxiliary energy consumption and transmission losses till the delivery point). CPL and LPTL, *inter alia*, have the principal obligation to identify prospective purchasers for onward sale. CPL may request LPTL to sell the capacity to prospective purchasers identified by CPL or submit tariff bids to state electricity boards/ distribution licensees for onward sale of capacity. CPL and LPTL shall enter into separate agreement for the purpose of such sale/ submission of tender or bid as the case may be.

The obligations of CPL are *inter alia* to (i) obtain and maintain all the consents for the Facility; (ii) ensure that the contracted capacity is made available to LPTL during the supply period (from start date to expiry date), except in case of an event of force majeure, forced outages or scheduled outages; (iii) ensure that it maintains leasehold rights or right to use the Facility throughout the supply period, free and clear of encumbrance; (iv) on a timely basis, connect the power plant with the delivery point; (v) ensure that the declared capacity (the capacity made available at the point of delivery, with an advance notice of 120 days) is not be less than 85% of the contracted capacity; (vi) comply *inter alia* with the provisions of applicable law and the grid code; (vii) entering into a connection agreement/ bulk power transmission agreement with CTU/STU for transmission of power from the Facility to the point of delivery; (viii) pay transmission charges and any other charges including but not restricted to regional load dispatch centre/state load

dispatch centre charges upto the point of delivery; (ix) fulfill obligations under the PPA; and (x) make reasonable efforts to ensure that each unit of the Facility achieves commercial operation on a prior to the scheduled commercial operation date.

LTPL's obligations include *inter alia* (i) to ensure onward sale of electricity at least 85% of the declared capacity; (ii) to pay bills in accordance with the PPA; (iii) payment of transmission charges, open access charges and other charges including but not restricted to regional load dispatch centre/state load dispatch centre charges beyond the delivery point in accordance with the Central Electricity Regulatory Commission ("CERC") regulations prevailing at that time; (iv) to open and maintain letter of credit; (v) to obtain and maintain the requisite open access commencing from the start date of the project until the expiry, to ensure evacuation of electricity corresponding to the sold capacity from the delivery point; (vi) to provide CPL all information regarding long term open access, on a timely basis; (vii) to make best efforts to obtain maximum price for onward electricity purchased under the PPA; (viii) to enter into extended term supply agreement or any contract, agreement or arrangement for onward sale of electricity to an affiliate; (ix) to comply with provisions of applicable law and grid code, as defined in the agreement; (x) to fulfill obligations undertaken by it under the PPA; (xi) to maintain trading license throughout the term of the PPA; and (xii) pay bills in accordance with the PPA.

Tariff

The base tariff shall be:

- (a) From start date till March 31, 2015: ₹ 3.50
- (b) From April 1, 2015 to March 31, 2021: ₹ 3.00
- (c) From April 1, 2021 to March 31, 2027: ₹ 2.60
- (d) From April 1, 2027 to the expiry date: An amount to be mutually agreed at least 90 days prior to March 31, 2027

Maximum possible price

LPTL is required to make best efforts to obtain the maximum price for onward sale of electricity. CPL will not in any manner object or interfere with or do any acts or deeds that shall cause LPTL to contravene any existing agreement and/or commitments for onwands sale already entered into by the LPTL with a purchaser.

In the event LTPL is of the opinion that it would not be able to obtain the base tariff, LTPL has the option to approach the CPL with a proposal for its consent to sell the electricity at a price lower than base tariff. CPL may consent to such sale of power or require LTPL to sell the electricity in the electricity trading exchange for the duration specified in LTPL's proposal or identify a purchaser willing to purchase the electricity at a price higher that the price in the proposal.

Upside sharing

Additional revenue in excess of the adjusted base tariff (calculated in accordance with the formula agreed between the Parties) which is generated on account of onward sale of energy by LPTL and net of trading margin (2% of the actual tariff until the 10th commercial operations date and 3% of the actual tariff after 10th commercial operations date until the expiry) is referred to as the upside. The upside will be shared between CPL and LTPL in the ratio of 90% and 10%. The sharing of upside is permitted subject to applicable law, and if the same is considered to be in violation of applicable law, it shall not affect the obligations of LPTL to purchase power.

Consequences for failure to obtain base tariff or secure onward sale

LPTL will be liable to pay compensation to CPL in case (i) the monthly eventual tariff is less than base tariff for a month, at the end of a month in a given contract year; or (ii) the LPTL fails to secure onward sale of 85% of electricity corresponding to declared capacity through onward sale contract or sale to electricity trading exchanges, unless there is a material adverse change effect which has occurred. In the event of a material adverse effect in a contract year LPTL shall be liable to pay compensation only if monthly eventual tariff is less than higher of (i) adjusted base tariff and (ii) the minimum base tariff. The eventual tariff refers to the weighted average of the actual tariff realised by the seller for any period of time and calculated as agreed between the Parties. The base tariff is the reference tariff for comparison with the eventual tariff and it shall be exclusive of trading margins.

Compensation will be paid in a manner to which ensures that CPL's earnings are sufficient to maintain the required debt service coverage, and the amount of compensation computed by CPL will be reviewed by an expert and on such review if compensation claimed by CPL is in excess then such excess amount shall be reimbursed to LPTL.

CPL's earning will be calculated as the difference between total cash revenue earned and total cash expenditure of CPL for the relevant period. LPTL has the obligation to ensure that CPL's earning and payment of compensation thereof, would be calculated considering the contracted capacity of 540 MW and availability of 85%. LPTL's obligation shall be reduced on a *pro rata* basis upon CPL declaring availability less than 85%.

Compensation payable LPTL for its failure to dispatch power, will not exceed the difference between the minimum base tariff and the fuel cost per unit of energy below 85% of electricity corresponding to the declared capacity for which onward sale is not secured.

Consequences of failure to generate

If the declared capacity falls below 85% of the electricity corresponding to the contracted capacity, and such failure is not a result of breach by LPTL, then CPL would be liable to pay compensation for difference between declared capacity and 85% of the contracted capacity. The maximum compensation will not exceed the difference between the minimum base tariff and the fuel cost per unit of energy below 85% of electricity corresponding to the declared capacity for which onward sale is not secured. In addition to this, CPL would also be obliged to pay transmission costs for transmission corridors booked by the LPTL or any other purchaser under applicable open access provisions till such time the transmission corridor is cancelled. However, this condition may be modified by the Parties facilitate onward sale by LPTPL and CPL shall only pay compensation for onward sale of power plus five paise per unit of electricity.

CPL's liability for shortfall in supply of electricity based on LPTL's contract for onward sale to purchasers is limited to declared capacity. CPL is not be liable to pay LPTL for any loss of profit or trading margins in case of failure by CPL to supply electricity, except for five paise per unit of electricity agreed for onward sale of electricity by LPTL. The Parties agree, that compensation amounts are pre determined estimates and shall not be construed as penalty.

Scheduling and dispatch of power

The Parties will enter into separate contracts throughout the terms of the PPA in relation to each arrangement that LPTL enters into with the purchasers.

Limitation of liability and indemnification

The Parties have agreed to indemnify each other against all third party actions, claims or suits unless such third party actions, claims or suits have arisen due to negligence or omission of the agreement on the part of indemnified party. The Parties have also agreed to indemnify each other against all losses, damages or costs suffered by indemnified party as a reason of breach of indemnifying party, unless such claim has arisen due

to negligence or omission on the part of Indemnified party, its contractors, servants or agents.

The indemnifying party shall not be liable to indemnified party until the aggregate of all claims of the indemnified party in a given year exceed ₹ 1 million. The liability of the indemnifying party to indemnified party for the above provided indemnities shall not exceed ₹ 20 million. This limit is not applicable to other remedies.

Events of default and termination

The following events qualify as events of defaults unless such events occur as results of a force majeure event or a breach by either of the Parties of its respective obligations:

CPL events of default include *inter alia*:

- (i) Any untrue representation or warranty which materially affects LPTL to perform its obligation;
- (ii) After the start date, failure by CPL to deliver 65% of the contracted capacity for a period of 12 consecutive months;
- (iii) Unilateral repudiation of the PPA by CPL;
- (iv) In the event CPL is in material breach of the PPA and such breach is not cured within 90 days of notice of default by LPTL;
- (v) The fuel supply agreement is terminated as a result of change in control over the mines from which coal is acquired;
- (vi) CPL has suspended payments of its debts or is unable to pay its debts and such suspension or inability is not caused by a failure on the part of the LPTL to pay the full amounts under the PPA;
- (vii) If there is a winding up order passed against CPL which is not stayed or a liquidator is appointed except where such dissolution of winding up is for the purpose of merger, consolidation or reorganization and there the resulting entity has the financial standing and creditworthiness to assume and perform all of CPL obligations under the PPA;
- (viii) CPL failing to pay bill or any part thereof within 90 days after due date; and
- (ix) CPL becoming subject to bankruptcy or insolvency proceedings.

If CPL's event of default continues one month after the giving of preliminary default notice (notice provided by LPTL which specifies the event of default in a reasonable manner) by then a termination notice may be delivered by LPTL. Termination by LPTL shall not be effective, till the lenders of the facility have been provided a copy of the Preliminary default notice and provided an opportunity to cure CPL's event of default.

Consequences of termination

Upon termination, due to CPL's events of default:

- (i) CPL shall reimburse to LPTL all open access charges upto the delivery point incurred by the LPTL for evacuation of electricity from the facility and supply to its purchasers under any executed agreements, to the extent forfeited.
- (ii) CPL shall pay the LPTL compensation calculated at the rate of INR 150 paise per unit of power for the number of units corresponding to 85% availability for a period of 12 months from the date

of termination of the PPA.

- (iii) CPL shall pay the LPTL compensation calculated at the rate of INR 100 paise per unit of power for the number of units corresponding to 85% availability for a period of 12 months from the date of termination of the PPA.
- (iv) CPL shall make these payments within 15 days of termination of the agreement.
- (v) CPL shall, in addition to the above payments, be liable for amounts due and payable by CPL to LPTL under the agreement prior to the termination of the PPA.

4. Contract for supply between CPL and APRL (originally AINL) dated December 17, 2009 and letters dated April 10, 2010, April 13, 2010, April 30, 2010, July 13, 2010 and September 30, 2010 amending the same

CPL has entered into a contract with APRL (originally AINL) dated December 17, 2009 which was amended by a letters dated April 10, 2010, April 13, 2010, April 30, 2010, July 13, 2010 and September 30, 2010 (the "Contract") for the design, engineering, procurement and supply for 4 x 270 MW thermal power plant (the "Facility") which consists of two units of the Facility (referred to as the "First Set Facility") and two other units for the Facility (the "Second Set Facility") and consisting of generators, boilers and associated equipment and other ancillary facilities. The contract price for the Contract is ₹ 14,610 million and ₹ 16,950 million for the supply in relation to the First Set Facility and the Second Set Facility respectively. The contract price is inclusive of freight and transportation charges in respect of the equipment and materials and is an aggregate of the BTG component price of ₹ 10,580 million and BOP component price of ₹ 4,030 million for the first set contract price and ₹ 10,580 million and ₹ 7,090 million for the BTG and BOP component price respectively for the second set contract price. APRL can claim additional sums towards exchange rate fluctuations in the event it is sourcing goods from outside India which has been approved by CPL. CPL can withhold and set-off any amount owed by APRL to CPL which is deemed reasonable by CPL to protect itself from liability from any payment due to APRL. APRL will commence the work after the issue of notice to proceed from CPL. For the first phase the notice to proceed shall be issued on or prior to January 15, 2010 and for the second phase notice to proceed shall be issued on or prior to October 31, 2010. In the event of failure of CPL to seek extension of time for the issue of notice to proceed, the consideration will be revised in accordance with the Contract. APRL will ensure that the equipment and materials supplied under the Contract are fit and suitable for its intended purpose. Any equipment or material which is not specifically mentioned in the Contract but required for the completion of the scope of work will be supplied by APRL. APRL will, within the contract price, supply along with the equipments, such additional commissioning spares after making allowance to cover wastage during transportation, storage, handling or commissioning. APRL will also supply special tools and appliances for the erection and maintenance of the Facility and the equipments within the contract price. APRL has undertaken to supply operation and maintenance spares at a reasonable price during the life of the Facility, upon a request from CPL. The title of the equipment and material will pass to CPL when delivered on the site by endorsement of documents of title. APRL will deliver to AMNEPL an unconditional and irrevocable bank guarantee and this will remain valid till the Facility is taken over by AMNEPL.

Approvals and variation

In the event any permits and approvals are required by CPL in connection with the project, CPL will obtain the same and APRL will provide reasonable assistance to enable CPL to obtain such permits and approvals. APRL is entitled for extension of completion schedule on specified grounds which include (i) any variation issued to the work under the Contract; (ii) force majeure; (iii) failure of CPL to fulfill its obligations under the Contract; and (iv) any instruction of CPL to suspend work.

Liquidated damages

In case of delay in the commissioning of each unit of the First Set Facility, APRL shall pay liquidated damages amounting to 0.50% of the BTG component price, pro rated for each week of delay and in the

event the delay is due to BTG supply by Bharat Heavy Electricals Limited ("BHEL"), it will be restricted to the amount of liquidated damages recovered from BHEL. CPL will be liable to pay damages for the balance of plant component of the First Set Facility for any delay at the rate of 0.50% of the BOP component price, pro rated for each unit for each week. The overall liquidated damages for the First Set Facility is restricted to an overall cap of 7.5% of the contract price for the First Set. In case of delay in commissioning each unit of Second Set Facility, APRL shall pay liquidated damages amounting to 0.50% of BTG component price, pro rated for each week of delay which in the event the delay was due to BTG supply by BHEL restricted to the amount of liquidated damages recovered from BHEL. APRL will be liable to pay damages for the balance of plant component for the Second Set Facility for any delay in achieving the completion schedule at the rate of 0.50% of the BOP component price, pro rated for each unit for every week of delay. The overall liquidated damages for the First Set Facility is restricted to an overall cap of 7.5% of the contract price for the First Set. The aggregate liability of APRL for liquidated damages for delay and shortfall in performance will not exceed 17.5% of the contract price under the Contract, contract for civil and structural works and contract for erection and commissioning. Apart from liability in relation to delay or shortfall in performance, in case of damages arising as a result of fraud, willful misconduct or gross negligence on the part of APRL, APRL's total liability under the Contract will not exceed 100% of the contract price for the First Set Facility and / or the Second Set Facility. APRL is also liable to pay liquidated damages, subject to a maximum of 10% of the contract price of the First Set Facility and/or the Second Set Facility, for any shortfall in performance. Bonus is payable by CPL for early completion of each unit at 0.35% of the contract price for the First Set Facility and / or the Second Set Facility, per week of early completion, pro rated for each unit, subject to a maximum of 7.5% of the contract price of the First Set Facility and / or the Second Set Facility.

Guarantee and indemnity

APRL will deliver to CPL an unconditional and irrevocable advance payment corporate guarantee equivalent to 15% of the contract price for the First Set Facility and / or the Second Set Facility which is valid till the take-over of the Facility and a plant performance guarantee amounting to 5% of the contract price which is valid till the expiry of the defects liability period. The warranty period for the equipment and material is 12 months from the completion of the reliability run. APRL will indemnify CPL harmless for all losses arising from or in relation to the failure of APRL to conform to applicable law. CPL will arrange for insurance at its own cost for the equipment and material. CPL will indemnify APRL, its sub-contractors including their officers from all claims, damages arising by reason of bodily injury, death or damage to property sustained by third party which is caused due to intentional or willful misconduct or gross negligence of CPL including its employees and officers. APRL will indemnify CPL or its agents, directors or employees against losses in respect of personal injury, illness or death and in respect of loss or damage of property which arises as a consequence of execution of the works under the Contract.

Suspension and termination

In the event CPL fails to pay APRL any undisputed payment that continues for a period of 45 days after notice for the same is given, APRL may suspend work by giving a 10 days prior notice. CPL may suspend work by giving APRL notice stating the nature and anticipated duration of the suspension. CPL may terminate the Contract by giving a 45 days written notice in the event a default is not cured within a stipulated period or in case of a prolonged suspension of work for more than 90 days. Either party may terminate the Contract by giving a 45 days written notice, in case a force majeure event continues for a continuous period of more than six or nine months in a period of 12 months. In the event either the contract for civil and structural work and / or the contract for erection and commissioning is terminated or suspended, the Contract will also stand terminated or suspended, as the case may be and CPL will give a notice of such termination to APRL.

All disputes under the Contract which cannot be amicably resolved will be referred to arbitration under the Arbitration and Conciliation Act, 1996 in Kolkata.

5. Contract for erection and commissioning services between CPL and APRL (originally AINL) dated December 17, 2009 and letters dated April 10, 2010, April 13, 2010, April 30, 2010, July 13, 2010 and September 30, 2010 amending the same

CPL and APRL (originally AINL), collectively (the “Parties”) have entered into a contract dated December 17, 2009 which was amended by a letters dated April 10, 2010, April 13, 2010, April 30, 2010, July 13, 2010 and September 30, 2010 (the “Contract”) for erection and commissioning of the 1,080 MW Matrishri Usha Devi Jayaswal coal based thermal power plant (the “Project”), consisting 4 units of 270 MW each being set up by CPL at Chandwa, district Latehar, Jharkhand to be completed in two phases. The consideration for the first phase, including the first two units of 270 MW capacity each, is ₹ 2,450 million and the consideration for the second phase, including the remaining two units of 270 MW capacity each is ₹ 2,840 million. The commissioning of the Project will take place in the following manner:

Description	Commissioning schedule
First phase:	
Unit I	33 months from October 1, 2009, subject to suitable extension granted, if any, by the CPL in accordance with the Contract
Unit II	35 months from October 1, 2009, subject to suitable extension granted, if any, by the CPL in accordance with the Contract
Second phase:	
Unit I	36 months from second zero date (which means a the date on which CPL has issued the LOI and notice to proceed and APRL has received advance payment as per the terms of agreement), subject to suitable extension granted, if any, by the CPL in accordance with the Contract
Unit II	39 months from second zero date, subject to suitable extension granted, if any, by the CPL in accordance with the Contract

The Agreement, *inter alia*, provides:

- (i) APRL will commence the work after the issue of notice to proceed from CPL. For the first phase the notice to proceed shall be issued on or prior to January 15, 2010 and for the second phase notice to proceed shall be issued on or prior to October 31, 2010. In the event of failure of CPL to seek extension of time for the issue of notice to proceed, the consideration will be revised in accordance with the Contract. In the event of the failure of CPL, to issue notice to proceed in the time period specified, it shall seek suitable extension of time. In the event of CPL’s failure to seek extension, the contract price shall be revised as per the terms of the agreement.
- (ii) APRL would not sub-contract, whole or part of the work, without the prior consent of CPL except for specified works.
- (iii) APRL is required to ensure that the corporate or bank guarantee, required to be provided under the Agreement, shall be provided by the sub-contractor.
- (iv) CPL will obtain all the licenses and approvals for the purpose of the Contract and APRL shall provide reasonable assistance to CPL to obtain such licenses and approvals.
- (v) APRL shall be liable to pay liquidated damages in the event of delay and for shortfall in performance. The liquidated damages shall be calculated on the following basis:
 - (a) For delay in completion schedule for less than half of the week, no liquidated damages shall be recovered for the relevant week.
 - (b) For delay in completion schedule more than half of the week, the liquidated damages shall be recovered for whole of the relevant week.

Liquidated damages will be based at the rate agreed by the parties as per terms of the Contract, the contract for civil and structural works and the contract for supply. The payment of liquidated damages will not relieve APRL of any of its obligations under the Contract.

- (vi) Except for liability for delay and shortfall in performance, or in the case of damages arising as a result of fraud, willful misconduct or gross negligence on the part of APRL, APRL's total liability under the agreement shall not exceed 100% of the price for each unit in the first phase and the second phase. APRL would be responsible for any special, indirect or consequential damages and for any revenue, loss of profits, loss of use, costs of its capital or loss resulting from liability of CPL to any other person or for any financial or economic loss, resulting from any reason attributable to the performance of this Agreement by the APRL.
- (vii) APRL shall be liable to pay liquidated damages, at the rate of 0.50% pro-rated to each unit for each week of delay, however, the overall liquidated damages shall not exceed 7.5% of the price of the first set Contract price for each component separately.
- (viii) CPL has the right to vary the scope and technical character of the Project, unless its affects APRL's ability to perform its work as per terms of the Contract, or has a material adverse change upon the unit's ability to meet the performance guarantee or is not technically feasible.
- (ix) All disputes regarding this agreement shall be resolved through arbitration under the Arbitration and Conciliation Act, 1996 in Kolkata.

The Contract would terminate in the event either of the contract for supply and the contract for civil and structural works is terminated. Either party may terminate the Contract by giving a notice of 45 days, in the event of a default by APRL or an event of force majeure continues for a period of more than six months or nine months in a period of 12 months or prolonged suspension of the work for a period exceeding 90 days. CPL may terminate the Contract at its convenience by giving APRL a notice of 60 days. In the event of APRL's default, CPL shall not be liable to make any further payments to APRL and APRL shall be liable to return any excess amount received by it under the agreement. In case of termination due to CPL's fault, CPL shall pay amounts to APRL subject to production of adequate evidence.

6. Contract for civil and structural works between CPL and APRL (originally AINL) dated December 17, 2009 and letters dated April 10, 2010, April 13, 2010, July 13, 2010 and September 30, 2010 amending the same

CPL has entered into a contract with APRL (originally AINL) dated December 17, 2009 which was amended by a letter dated April 10, 2010, April 13, 2010, July 13, 2010 and September 30, 2010 (the "Contract") for civil and structural work which includes works associated with executing all civil works, steel structural fabrication, painting and erection in position and all finishing works, including mobilization of the construction equipment supplying of material, structural and for steel, manpower, tools and tackles, consumables required for the 1080 MW Matrishri Usha Devi Jayaswal coal based thermal power plant ("Project"), consisting 4 units of 270 MW each being set up by CPL at Chandwa, district Latehar, Jharkhand to be completed in two phases. The consideration for the first phase, including the first two units of 270 MW capacity each is ₹ 2,550 million and the consideration for the second phase, including the remaining two units of 270 MW capacity each is ₹ 2,960 million. The Parties have agreed that the first phase and second phase shall be completed as per the completion schedule agreed by the Parties in the Contract.

The Contract, *inter alia*, provides:

- (i) APRL will commence the work after the issue of notice to proceed from CPL. For the first phase the notice to proceed shall be issued on or prior to January 15, 2010 and for the second phase on or prior to October 31, 2010. In the event of failure of CPL to seek extension of time for the issue of notice to proceed, the consideration will be revised in accordance with the Contract. In the event of the failure of CPL to issue notice to proceed in the time period mentioned herein, it shall seek

suitable extension of time. In the event of CPL's failure to seek extension, the contract price shall be revised according to the provisions of the Contract.

- (ii) APRL will not sub-contract as whole or in part without the prior consent of CPL except for specified works.
- (iii) APRL would provide corporate or bank guarantee to CPL.
- (iv) CPL is required to obtain all the licenses and approvals for the contract and APRL shall provide reasonable assistance to CPL to obtain such contracts.
- (v) APRL is liable to pay liquidated damages in the event of delay in and for shortfall in performance. The liquidated damages shall be calculated on the following basis:
 - (a) For delay in completion schedule for less than half of the week, no liquidated damages shall be recovered for the relevant week.
 - (b) For delay in completion schedule more than half of the week, the liquidated damages shall be recovered for whole of the relevant week.

Liquidated damages shall be based on the rate agreed by the Parties, however, the overall limit for application of liquidated damages shall be 7.5% of the overall aggregate contract price under this agreement, contract for civil and structural works and the contract for supply. The payment of liquidated damages shall not relieve APRL of any of its obligation under the Contract.

- (vi) Except for liability for delay and shortfall in performance, or in the case of damages arising as a result of fraud, willful misconduct or gross negligence on the part of APRL, APRL's total liability under the Contract will not exceed 100% of the price for each unit in the first phase and the second phase. APRL is responsible for any special, indirect or consequential damages and for any revenue, loss of profits, loss of use, costs of its capital or loss resulting from liability of CPL to any other person or for any financial or economic loss, resulting from any reason attributable to the performance of the Contract by the contractor.
- (vii) CPL has the right to vary the scope and technical character of the Project, unless it affects APRL's ability to perform its work, or has a material adverse change upon the unit's ability to meet the performance guarantee or is not technically feasible.
- (viii) All disputes regarding this Contract shall be resolved through arbitration under the Arbitration and Conciliation Act, 1996 in Kolkata.

The Contract shall terminate in the event either of the Contract for Supply and the Contract for Erection and commissioning is terminated. Either party may terminate the Contract by giving a notice of 45 days, in the event of a default by APRL, event of force majeure continuing for a period of more than six months or nine months in a period of 12 months or prolonged suspension of the work for a period exceeding 90 days. CPL may terminate the agreement at its convenience by giving APRL a notice of 60 days for an act of default by APRL under this contract. In the event of APRL's default, CPL shall not be liable to make any further payments to APRL and APRL shall be liable to return any excess amount received by it under the agreement. In case of termination due to CPL's fault, CPL shall pay amounts to APRL subject to production of adequate evidence.

Contracts in relation to the 660 MW Power Project at Chandwa, Jharkhand

1. Contract for civil and structural works between CPL and APRL dated December 18, 2010

CPL has entered into a contract with APRL dated December 18, 2010 (the "Contract") for civil and

structural work which includes works associated with executing all civil works, steel structural fabrication, painting and erection in position and all finishing works, including mobilization of the construction equipment supplying of material, structural and for steel, manpower, tools and tackles, consumables required for the 660 MW unit for the 660 MW coal based thermal power plant at Latehar district in Jharkhand (the “Facility”). The consideration for the Contract is ₹ 4,480 million. Bonus is payable for early completion of the Facility at the rate of 0.5% of the contract price, per week of early completion, subject to a maximum of 5% of the consideration.

The Contract *inter alia* provides:

- (i) APRL will commence work after CPL issues a notice to proceed which shall be issued on or prior to 12 months from December 18, 2010. In the event of the failure of CPL to issue notice to proceed within the specified time, it shall seek suitable extension of time. In the event of CPL’s failure to seek extension, the contract price shall be revised according to the provisions of the Contract;
- (ii) APRL will not sub-contract as whole or in part without the prior consent of CPL except as permitted under the Contract.
- (iii) APRL is required to furnish a contract performance corporate guarantee amounting to 7.5% of the consideration (valid up to the takeover of the Facility) and performance corporate guarantee amounting to 5% of the consideration (valid up to the expiry of the defects liability period). All guarantees furnished by APRL shall be unconditional and irrevocable.
- (iv) APRL is required to obtain all permits required for completion of work and CPL is required to obtain all the licenses and approvals required in connection with the Facility and APRL shall provide reasonable assistance to CPL to obtain such contracts.
- (v) In case of delay in meeting the completion schedule, APRL shall be liable to pay liquidated damages amounting to 0.50% of the contract price, pro rated for the Facility for every week of delay subject to a maximum of 5% of the consideration. APRL shall also be liable to pay liquidated damages, subject to a maximum of 5% of the consideration calculated on a pro rate basis for shortfall in performance. The overall limit for application of liquidated damages shall be 7.5% of the overall aggregate contract price under this agreement, contract for civil and structural works and the contract for supply. The payment of liquidated damages shall not relieve APRL of any of its obligation under the Contract.
- (vi) APRL shall indemnify CPL against all losses arising from the failure of APRL to conform to applicable laws. CPL has indemnified APRL, its sub-contractors including their officers from all claims, damages arising by reason of bodily injury, death or damage to property sustained by third party, which is caused due to intentional or willful misconduct or gross negligence of CPL including its employees and office. APRL has indemnified CPL or its agents, directors or employees against losses in respect of personal injury, illness or death and in respect of loss or damage of property which arises as a consequence of execution of the works under the Contract.
- (vii) CPL has the right to vary the scope and technical character of the Facility, unless its affects APRL’s ability to perform its work, or has a material adverse change upon the unit’s ability to meet the performance guarantee or is not technically feasible.
- (viii) All disputes regarding this Contract shall be resolved through arbitration under the Arbitration and Conciliation Act, 1996 in Kolkata.

The Contract shall terminate in the event either of the Contract for Supply and the Contract for Erection and commissioning is terminated. CPL may terminate the Contract by giving a notice of 45 days, in the event of a default by APRL or prolonged suspension of the work for a period exceeding 90 days. CPL may

terminate the agreement at its convenience by giving APRL a notice of 60 days for an act of default by APRL under this contract. Either party may terminate the Contract in the event of force majeure continuing for a period of more than six months or nine months in a period of 12 months. In the event of APRL's default, CPL shall not be liable to make any further payments to APRL and APRL shall be liable to return any excess amount received by it under the agreement. In case of termination due to CPL's fault, CPL shall pay amounts to APRL subject to production of adequate evidence.

2. Contract for erection and commissioning between CPL and APRL dated December 18, 2010 and amendment agreement dated December 24, 2010

CPL has entered into a contract with APRL dated December 18, 2010 (the "Effective Date") for the purpose of providing erection and commissioning services (the "Contract") for the 660 MW capacity coal based thermal power plant (the "Facility") at Latehar, Jharkhand. The consideration for the Contract is ₹ 1,050.00 million (the "Contract Price"). The Contract Price is inclusive of all supplies and services, freight, forwarding, handling charges, transportation, transit insurance, project management services and all other incidental charges. APRL has the right to sub-contract whole or part of its work only after obtaining the prior written consent of CPL. APRL shall, within three months from date of signing of the agreement, provide a list of major sub-contractors to CPL for its approval. . APRL shall obtain all permits for use of equipments for completion of the work, at its own cost and APRL is not entitled to a variation for delay in obtaining applicable permits. APRL has provided an unconditional and irrevocable corporate guarantee amounting to 7.50% of the Contract Price, which shall be submitted before release of first payment under the Contract. APRL is also required to provide a plant corporate performance guarantee amounting to 5% of the Contract Price at the time of payment of the final installment of the contract price, which shall be valid until the expiry of the defects liability period.

Defects liability period

APRL shall be liable at its own cost and expenses for all repairs and replacements of any defects or for any non-performance of any of the supply or services made under the Contract, for a period of 12 months from the date of completion of the reliability run of the unit.

Liquidated damages and bonus payment

APRL is liable to pay liquidated damages in the event of delay in and for shortfall in performance. The liquidated damages for delay shall be calculated on the following basis:

- (a) For failure to achieve completion schedule, APRL shall be liable to pay liquidated damages of an amount of 0.50% of the Contract Price for each week of delay, subject to a maximum of 5% of the Contract Price. However, the total of liquidated damages shall not be more than 7.50% of the aggregate Contract Price under the Contract, the contract for civil and structural works and the contract for supply. In addition CPL shall also be entitled to liquidated damages under the contract for civil and structural works and the contract for supply as a result of delay in performance of APRL; and
- (b) For shortfall in performance, APRL shall pay liquidated damages subject to a maximum of 5% of the Contract Price calculated on pro-rata basis for each unit of the Facility.

CPL shall pay a bonus equal to 0.50% of the Contract Price for each week of early completion of the project, subject to a maximum of 5% of the Contract Price.

Variation

CPL has the right to vary the scope and technical character of the project, unless it has a material adverse effect on the ability of the units to meet the performance guarantee, affects the ability of APRL to perform the scope of works in accordance with the construction schedule or the completion schedule or is not technically feasible.

Indemnity

APRL will indemnify CPL, its affiliates and its respective directors, officers, employees and agents against any losses, claims and liabilities together with legal expenses incurred which are attributable to failure on the part of APRL or its sub-contractors to comply with the applicable laws. APRL will indemnify CPL or its agents, directors or employees against all losses in respect of personal injury, illness or death and in respect of loss or damage of property which arises as a consequence of execution of the works under the Contract. APRL will also indemnify to CPL against all claims relating to for all claims relating to infringement of patent, trademark, copy-right, design and devices. CPL will indemnify APRL, the sub-contractors, their officers, agents, employees and affiliates from all claims, damages arising by reason of bodily injury, death or damage to property sustained by third party which is caused due to intentional or willful misconduct or gross negligence of CPL or its sub-contractor, or by an officer, director, agent or employee. CPL will also indemnify APRL against any damages or claims arising out of a claim of patent infringement.

Termination and suspension

In the event CPL fails to pay APRL any undisputed payment that continues for a period of 60 days after notice for the same is given, APRL may suspend work by giving a 10 days prior notice. CPL may suspend work by giving APRL a 10 day notice stating the nature and anticipated duration of the suspension. The Contract shall terminate in the event of termination of the contract for supply and the contract for civil and structural works. CPL has the right to terminate the Contract by giving a written notice of 45 days, in the event of a default by APRL or prolonged suspension of the work for a period exceeding 90 days or by CPL giving APRL a 60 day written notice at its convenience, for an act of default by APRL. Either party may, by giving a notice of 45 days, terminate the Contract in the event a force majeure situation continues for a period of more than six months or nine months in a period of 12 months.

Dispute resolution

All disputes under the Contract which cannot be amicably resolved will be referred to arbitration under the Arbitration and Conciliation Act, 1996 in Kolkata.

3. Contract for onshore supply between CPL and APRL dated December 18, 2010

CPL has entered into a contract for supply with APRL dated December 18, 2010 ("Effective Date"), for supply of equipment and materials from within India (the "Contract") for the 660 MW capacity coal based thermal power plant at Latehar, Jharkhand. The consideration for the Contract is ₹ 11,900.00 million ("Contract Price"). The Contract Price is inclusive of all supplies and services, freight, forwarding, handling charges, transportation, transit insurance, project management services and all other incidental charges. APRL has the right to sub-contract whole or any part of the scope of the works to sub-contractor subject to the prior written consent of CPL. APRL will ensure that the equipment and materials supplied under the Contract are fit and suitable for its intended purpose. Any equipment or material which is not specifically mentioned in the Contract but is necessary to ensure that the equipment are operable or to enable other contractors to achieve the performance guarantees or which can be reasonably inferred from the Contract, shall be supplied by APRL shall supply the same without any additional cost. CPL shall in a timely manner, obtain all applicable permits as required to be obtained by APRL in connection with the project and APRL shall provide reasonable assistance to CPL in procuring such permits and approvals. APRL will deliver to CPL a contract performance guarantee, in the form of an unconditional and irrevocable advance payment corporate guarantee equivalent to 20% of the Contract Price. APRL shall also provide a contract performance guarantee of 7.50% of the Contract Price and a plant performance contract guarantee equal to 5% of the Contract Price. All guarantees are unconditional and irrevocable. The title of the equipment and material will pass to CPL during the transport of the same from APRL's premise to the site by endorsement of documents of title by APRL in favor of CPL.

Liquidated damages

APRL is liable to pay liquidated damages in the event of delay and for shortfall in performance. The liquidated damages for delay shall be calculated on the following basis:

- (a) For failure to meet the commissioning schedule, APRL shall be liable to pay liquidated damages of an amount of 0.50% of the Contract Price, for each week of delay, subject to a maximum of 5% of the Contract Price. In addition, CPL shall also be entitled to liquidated damages under the contract for civil and structural works and the contract for erection and commissioning as a result of delay in performance of APRL.
- (b) For shortfall in performance, APRL shall pay liquidated damages subject to a maximum of 5% of the Contract Price. The total liability for shortfall of performance shall be limited to 7.50% of the Contract Price.
- (c) The total liability due to delay and shortfall in performance shall be limited to 7.50% of the Contract Price.

Variation

CPL has the right to vary the scope and technical character of the project, unless it has a material adverse effect on the unit's ability to meet the performance guarantee, affects the ability of APRL to perform the scope of works in accordance with the construction schedule or the completion schedule or is not technically feasible.

Indemnity

APRL will indemnify CPL, its affiliates and its respective directors, officers, employees and agents against any losses, claims and liabilities together with legal expenses incurred which are attributable to failure on the part of APRL or its sub-contractors to comply with the applicable laws. APRL will indemnify CPL or its agents, directors or employees against all losses in respect of personal injury, illness or death and in respect of loss or damage of property which arises as a consequence of execution of the works under the Contract. APRL will also indemnify CPL for any loss to the property (other than the facility) belonging to CPL. CPL will indemnify APRL, the sub-contractors, their officers, agents, employees and affiliates from all claims, damages arising by reason of bodily injury, death or damage to property sustained by third party which is caused due to intentional or willful misconduct or gross negligence of CPL or its sub-contractor, or by an officer, director, agent or employee.

Termination and suspension

In the event CPL fails to pay APRL any undisputed payment that continues for a period of 45 days after notice for the same is given, APRL may suspend work by giving a 10 days prior notice. CPL may suspend work by giving APRL notice stating the nature and anticipated duration of the suspension. The Contract shall terminate in the event of termination of the contract for erection and commissioning and the contract for civil and structural works. CPL has the right to terminate the Contract by giving a written notice of 45 days, in the event of a default by APRL or prolonged suspension of the work for a period exceeding 90 days. Either party may, by giving a notice of 45 days, terminate the Contract in the event a force majeure situation continues for a period of more than six months or nine months in a period of 12 months.

Dispute resolution

All disputes under the Contract which cannot be amicably resolved will be referred to arbitration under the Arbitration and Conciliation Act, 1996 in Kolkata.

4. Contract for offshore supply between CPL and APRL dated December 18, 2010

CPL has entered into a contract for supply with APRL dated December 18, 2010 (“Effective Date”), for supply of equipment and materials from outside India, (the “Contract”) for the 660 MW capacity coal based thermal power plant at Latehar, Jharkhand. The consideration for the Contract is USD 253.04 million (“Contract Price”). The Contract Price is inclusive of all supplies and services, freight, forwarding, handling charges, transportation, transit insurance, project management services and all other incidental charges. APRL shall provide CPL an unconditional and irrevocable advance payment corporate guarantee equivalent to 20% of the contract price. APRL has the right to sub-contract whole or any part of the scope of the works to sub-contractor(s) subject with prior written consent of CPL. APRL will ensure that the equipment and materials supplied under the Contract are fit and suitable for its intended purpose. Any equipment or material which is not specifically mentioned in the Contract but is necessary to ensure that the equipment are operable or to enable other contractors to achieve the performance guarantees or which can be reasonably inferred from the Contract, shall be supplied by APRL without any additional cost. CPL shall in a timely manner, obtain all applicable permits as required to be obtained by CPL in connection with the project and APRL shall provide reasonable assistance to CPL in procuring such permits and approvals. APRL will, within the Contract Price, supply along with the equipments such additional commissioning spares after making allowance to cover wastage during transportation, storage, handling or commissioning without any extra cost to CPL. APRL will deliver to CPL contract performance guarantee equal to 7.50% of the Contract Price and a plant performance guarantee equal to 5% of the Contract Price. Both the guarantees shall be unconditional and irrevocable. The title of the equipment and material in the event of offshore supply will pass to CPL when delivered over the ships or rail, at the port of export in the country of origin.

Liquidated damages

APRL is liable to pay liquidated damages in the event of delay in and for shortfall in performance. The liquidated damages for delay shall be calculated on the following basis:

- (a) For failure to meet the commissioning schedule, APRL shall be liable to pay liquidated damages of an amount of 0.50% of the Contract Price for each week of delay subject to a maximum of 5% of the Contract Price. In addition, CPL shall also be entitled to liquidated damages under the contract for civil and structural works and the contract for erection and commissioning as a result of delay in performance by APRL.
- (b) For shortfall in performance, APRL shall pay liquidated damages subject to a maximum of 5% of the Contract Price. The total liability for shortfall of performance shall be limited to 7.50% of the Contract Price.
- (c) The total liability due to delay and shortfall in performance shall be limited to 7.50% of the Contract Price.

Variation

CPL has the right to vary the scope and technical character of the project, unless it has a material adverse effect on the ability of the units to meet the performance guarantee, affects the ability of APRL to perform the scope of works in accordance with the construction schedule or the completion schedule or is not technically feasible.

Indemnity

APRL will indemnify CPL, its affiliates and its respective directors, officers, employees and agents against any losses, claims and liabilities together with legal expenses incurred which are attributable to failure on the part of APRL or its sub-contractors to comply with the applicable laws. APRL will indemnify CPL or its agents, directors or employees against all losses in respect of personal injury, illness or death and in respect of loss or damage of property which arises as a consequence of execution of the works under the

Contract. APRL will also indemnify CPL for any loss to the property (other than the facility) belonging to CPL. CPL will indemnify APRL, the sub-contractors, their officers, agents, employees and affiliates from all claims, damages arising by reason of bodily injury, death or damage to property sustained by third party which is caused due to intentional or willful misconduct or gross negligence of CPL or its sub-contractor, or by an officer, director, agent or employee.

Termination and suspension

In the event CPL fails to pay APRL any undisputed payment that continues for a period of 45 days after notice for the same is given, APRL may suspend work by giving a 10 days prior notice. CPL may suspend work by giving APRL notice stating the nature and anticipated duration of the suspension. The Contract shall terminate in the event of termination of the contract for erection and commissioning and the contract for civil and structural works. CPL has the right to terminate the Contract by giving a written notice of 45 days, in the event of a default by APRL or prolonged suspension of the work for a period exceeding 90 days. Either party may, by giving a notice of 45 days, terminate the Contract in the event a force majeure situation continues for a period of more than six months or nine months in a period of 12 months.

Dispute resolution

All disputes under the Contract which cannot be amicably resolved will be referred to arbitration under the Arbitration and Conciliation Act, 1996 in Kolkata.

Other agreements

- Shareholders' agreement between Manoj Jayaswal, Abhishek Jayaswal, Abhijeet Jayaswal, Sonal Jayaswal, our Company (originally AINL), Jayaswals Ashoka Infrastructure Private Limited, Jas Toll Road Company Limited, Corporate Ispat and CPL dated November 19, 2009 and amendatory shareholders' agreement dated September 24, 2010**

Manoj Jayaswal, Abhishek Jayaswal, Ahhijeet Jayaswal, Sonal Jayaswal, our Company (originally AINL), Jayaswals Ashoka Infrastructure Private Limited, Jas Toll Road Company Limited, Corporate Ispat and CPL have entered into a shareholders' agreement dated November 19, 2009 specifying the extent of equity contributions to be brought in by the respective Parties. The CPL SHA had been entered into by AINL, which has been transferred to our Company pursuant to the Composite Scheme of Arrangement. Manoj Jayaswal, Abhishek Jayaswal, Abhijeet Jayaswal, Sonal Jayaswal, AINL, Corporate Ispat and CPL (together the "Parties") have entered into an amendatory shareholders' agreement dated September 24, 2010 (together with the shareholder's agreement dated November 19, 2009 referred to as the "CPL SHA") and agreed to restrict the participation of person, other than Corporate Ispat and our Company (originally AINL), to acquire any further equity shares in CPL and for CPL to continue as a joint venture of Corporate Ispat and our Company, unless otherwise agreed between the Parties in writing.

Contribution

The Parties will contribute towards the equity shares of CPL, to the extent of their commitments, on receipt of call notice. The contributions of the Parties towards the paid up capital of CPL is provided below:

Name of the party	Amount (In ₹ Million)	Percentage of shareholding
Corporate Ispat Alloys Limited	11,810	51
Abhijeet Power Limited	11,340	49

In the event of any shortfall from Corporate Ispat and our Company, allotment will be made in proportion to the percentages mentioned above and the excess contribution received will be credited to the share application account and shall only be utilized for allotments when contribution is received from the party which has made less contribution than from what is mentioned in the call notice. Such shortfall shall be contributed within three months and if it remains unpaid, the excess amount contributed by the other parties will be refunded. The contributions of the Parties are to be utilized for part financing the setting up the

1,740 MW thermal power plant in Jharkhand and cannot be utilized for any other purpose unless agreed by the Parties, in writing.

The board of directors and shareholders' of CPL

The board of directors of CPL is responsible for the management, supervision, direction and control of CPL. CPL will deal with the shareholders and their affiliates on an arms' length basis and shareholders' have agreed to use all reasonable endeavours to ensure that any existing or potential conflict of interest is brought to the attention of CPL.

Pre-emptive right and transfer of shares

The Parties will not make any endeavour to invite any other person, including associates to subscribe to the equity shares of CPL, unless otherwise agreed between CPL and our Company (originally AINL). The Parties can freely transfer shares amongst themselves however, transfer of shares to any third party will require the prior approval of the existing shareholders of CPL and the new shareholders will have to enter into a deed of adherence. In case any party proposes to sell any of the shares held by it other than to the other shareholders, then it will offer the option to purchase such shares to the other shareholders prior to sale to any third party. In the event any Party does not exercise the pre-emptive right, the selling shareholder can sell the shares to the third party.

Term and Termination

The CPL SHA will be in force until any of the Parties continue to hold shares in CPL. The CPL SHA can be terminated by the Parties by mutual consent or by a non-defaulting party on account of an event of default of CPL by giving a prior notice of 45 days. The breach or failure to comply with the terms of the SHA which is not cured within 30 days, breach of any representation or warranty of the CPL SHA or the bankruptcy, winding up or liquidation of any of the Parties would constitute an event of default.

III. Jas Infrastructure and Power Limited

Project specific contracts for the Banka Power Project

1. Memorandum of understanding between Bihar State Electricity Board and JIPL dated October 17, 2007, addendums dated December 29, 2008 and letter dated January 29, 2010

The Bihar State Electricity Board ("BSEB") and JIPL (collectively the "Parties"), have executed a memorandum of understanding dated October 17, 2007 for setting up of 1,215 MW power project (the "Power Plant") in the state of Bihar. This memorandum of understanding was amended by an addendum dated December 29, 2008 whereby the Parties have agreed to set up a power plant with an enhanced capacity of 2,640 MW. The memorandum of understanding was valid for 13 months from the date of signing. The MoU has been amended and its term has been extended for a further period of 13 months with effect from January 29, 2010 by a letter from the Chief Engineer, Department of Transmission (O&M), BSEB (together with the memorandum of understandings, the "MoU"). The term of the MOU has expired.

The tentative schedule of commission of the first unit is July 2014, which is, 42 months from January 1, 2011, the zero date and that of the second, third and fourth unit is six months from the commissioning of the first, second and third unit respectively. BSEB has the first right to claim to purchase / refusal of power upto 25% of the maximum power proposed power plant on the basis of laws and regulations in force. BSEB will intimate JIPL their willingness to avail or refusal of 25% of power and the modality for the power purchase agreement with delivery point subject to declaration of power purchase rate by JIPL following Government of India guidelines. BSEB has no objection in the event JIPL supplies power directly to the bulk consumer in the state of Bihar on mutually agreed tariff and applicable laws and regulations of open access for intra state transmission systems of Bihar to be notified by BERC.

The MoU further provide that:

- (i) The cost of the land required for the power project and related expenses will be borne by JIPL and BSEB will facilitate the support from the government of Bihar to JIPL for acquiring land for the Power Plant.
- (ii) JIPL is responsible for the rehabilitation of affected persons, and JIPL shall abide by the rehabilitation policy of the Government of Bihar and such rehabilitation shall be completed within the project schedule.
- (iii) BSEB with the assistance of Government of Bihar shall assist JIPL in receiving coal mines from the State or Central Government. BSEB/ Government of Bihar shall provide interim arrangement for coal supply for JIPL, to meet interim requirements.
- (iv) BSEB/ Government of Bihar shall facilitate JIPL in meeting water requirements for the Power Plant.
- (v) BSEB shall facilitate the availability of power as required for the construction work of the Power Plant.
- (vi) In the event of non implementation of the Power Plant, the corresponding support commitment of BSEB indicated in the MoU with regard to the power project shall be liable to be cancelled.
- (vii) JIPL shall furnish information required by BSEB relating to planning, formulation, layout, financing and implementation of the Power Plant.
- (viii) Each party will indemnify and hold other party and their respective directors, executives, officers, supervisors and employees against all losses, claims, damages and liability, relating to matter arising out of MoU.
- (ix) All disputes arising out of the MoU will be settled through arbitration.

The MoU may be terminated by either party in the event of failure of the other party to fulfill terms and conditions of the MoU or there is inadequate progress without any obligation to either party, by giving three months notice by writing. The MoU can be terminated by mutual consent of the Parties.

2. Joint venture agreement between CESC Limited and JIPL dated December 4, 2007

Background:

- CESC Limited and JIPL (together the “Parties”) have entered into a joint venture agreement dated December 4, 2007 (the “JV Agreement”).
- The JV Agreement had been entered into pursuant to the letter from the Ministry of Coal, Government of India dated November 6, 2007 informing the Parties that the Government was contemplating making a joint allocation of Mahuagarhi non-coking coal block (the “Captive Coal Block”) in the state of Jharkhand in favour of the Parties for meeting their proportionate share of requirement of coal, that is 110 MT each (the “Letter”). The Captive Coal Block was required to be mined by Parties under any of the three options mentioned in the said Letter, of which the first option provided for a joint venture between the Parties. Parties have entered into the JV Agreement pursuant to the same.

Incorporation, share capital, further funding and restriction of transfer of shares

- In terms of the JV Agreement, the Parties have incorporated a company by the name of

“Mahuagarhi Coal Company Private Limited” (the “JV Company”), the main objectives of which are *inter alia* to explore, prospect and mine the deposits and acquisition of mining rights in respect of the Captive Coal Block.

- The aforesaid Letter requires shareholding of both Parties to be in the ratio of their assessed coal requirements. The assessed coal requirements both Parties are 110 MT each, and hence, the shareholding of both Parties is required to be equal. The JV Agreement provides for initial share capital of the JV Company to be subscribed to by both the Partners equally for cash at par. In case of an increase in the paid-up equity share capital of the JV Company, the additional shares will be offered and issued to the shareholders in equal proportion and the Parties have undertaken to subscribe to such additional shares. The Parties can subscribe to the shares of the JV Company either directly or through their respective associates such that they comply with the requirements of the Letter.
- Apart from equity contributions, the shareholders are not required to make any financial contribution to the JV Company. If the JV Company requires any financial assistance, the shareholders may provide the same in proportion to their shareholding.
- The Parties have agreed that the shares allotted to them shall be kept free from all encumbrances and lien. The Parties will not sell, transfer, mortgage or dispose of their respective shares except with the previous approval of the Government of India and with the prior written consent of the other party. This restriction is not applicable in relation to pledge or any other charge created by the Parties jointly on an identical number of shares held by each party as a security to enable to JV Company to obtain financial assistance. The Parties can transfer shares to their respective associates with the consent of the other party and the Associate executing a deed of adherence.

Business of the JV Company

- The activities taken up with regard to mining in the Captive Coal Block include *inter alia* submission of necessary bank guarantees, collection and analysis of geological or other relevant data in respect of the Captive Coal Block, assessment of resources / reserves, obtaining mining lease, maintenance of equipment, land acquisition, obtaining prior permission from the Director General of Mine Safety and Coal Controller, preparation of environment management plan and environment impact assessment and approval for the same from the MoEF and obtaining industrial license and all other applicable approvals. The Parties are required to ensure that the JV Company has the manpower and equipment required and that it procures the necessary technical know-how for mining coal.
- The Parties further agreed to enter into an off-take agreement with the JV Company within three months from the date of approval of the mining plan. However, this off-take agreement has not been executed as on date. The JV Company would ensure that the supply of the required quantities of coal from the mines conforms with the provisions of the off-take agreement with each of the Parties, which in turn would be in accordance with the proportionate share of reserves of coal, specified in aforementioned the letter of allotment.
- The JV Company would ensure that the coal mined from the mines be available for off-take in accordance with the off-take arrangement and will draw up a mine plan keeping in view the quantities to be lifted by the Parties pursuant to the off-take agreement. The JV Company is required to ensure that the supply of coal is exclusively for the captive use of end-use power plants of the Parties as per the aforementioned letter and will maintain the quality of the supply. The JV Company would ensure that the coal is not supplied to any person other than as specified in the JV Agreement. The Parties are required to set up an effective payment mechanism for the off-take agreement and ensure that the JV Company receives timely payments.
- The Parties agreed to notify the JV Company of the estimated time by which their respective

power plants would be operational so that the supply of coal may be planned. If any party were to fail to lift the committed quantity agreed in the off-take agreement, the JV Company would first offer the quantity that is not lifted to the other party and can sell the same in open market or any other channel permitted by the Government of India if the other party refuses to purchase the unlifted quantity. The profits of such a sale will be retained in the JV Company. However, if the open market sale is at a lesser price than the off-take agreement price, then the party which failed to lift the quantity would make good the differential amount.

- The Parties have also agreed that in the event there is an opportunity to expand the mine to maximize the coal extraction by extending the mine into the barriers which are contiguous with the mines then subject to the approval of the Ministry of Coal, the opportunity shall belong to and be pursued by, the JV Company.

Management of the JV Company

- Pending the appointment of a chief executive officer, the Parties agreed to the constitution of an operations committee of the JV Company that would consist of two members, with one nominee of each Party, to manage the Company's activities. The management of the day to day affairs of the JV Company vests with the chief executive officer, who is the manager, under the supervision, direction and control of the board of directors.
- The board of directors of the JV Company will appoint the agent of the mine, chief operating officer, chief financial officer, a company secretary and other key officials of the JV Company and the coal mine operator. The auditor will be elected jointly by the Parties. The board of directors of the JV Company consists of four directors with two nominees of each Party. The decision of the board of directors is valid only if approved with at least one affirmative vote of two directors comprising of at least one nominee director from each Party.

Duration of the JV Agreement:

- The JV Agreement has been effective since the date of its execution by the Parties, that is, December 4, 2007, and shall continue to be in force for a period equal to the life of the mines in the Captive Coal Block.

3. Contract for civil and structural works between JIPL and APRL dated December 13, 2010

JIPL has entered into a contract with APRL dated December 13, 2010 ("Effective Date") for supply and services required for civil and structural works (the "Contract") which includes works associated with executing all civil works, steel structural fabrication, painting and erection in position and all finishing works, including mobilization of the construction equipment supplying of material, structural and for steel, manpower, tools and tackles, consumables required for the 4 x 660 MW (2,460 MW) capacity coal based thermal power plant ("Facility"), divided into first set (2 x 660 MW) facility ("First Set Facility") and second set (2 x 660 MW) facility ("Second Set Facility"), located at Banka, Bihar. The consideration under the Contract for the First Set Facility is ₹ 8,130.00 million (the "First Set Contract Price") and for Second Set Facility is ₹ 8,310.00 million (the "Second Set Contract Price"). JIPL is required to pay a bonus equal to 0.50% of the contract price of First Set and/or Second Set Facility per week of early completion of the project, subject to a maximum of 5% of the contract price of the First Set/ Second Set Facility. APRL shall commence the work on issue of a notice to proceed, which shall be issued by JIPL on or prior to 12 months from the Effective Date.

The Contract, *inter alia*, provides that:

- (i) APRL has the right to subcontract whole or any part of the work subject to the prior consent of JIPL. APRL shall provide JIPL a list of major sub-contractors, and such list shall be approved by JIPL. Prior written approval of JIPL is required for appointment of any sub-contractor, which is

not included in major sub-contractors list, involving a contract price in excess of ₹ 200.00 million.

- (ii) All taxes and duties of APRL arising within India, excluding income tax of APRL and sub-contractor, shall be paid by JIPL. APRL has indemnified JIPL from all losses resulting from APRL or its sub-contractors failure to make timely payments or comply with the reporting, filing or other requirements under applicable law.
- (iii) APRL has indemnified JIPL or its agents, directors or employees against losses in respect of personal injury, illness or death and in respect of loss or damage of property which arises as a consequence of execution of the works under the contract. APRL has also provided indemnity to JIPL against all claims relating to for all claims relating to infringement of patent, trademark, copy-right, design, devices etc. JIPL has indemnified APRL, and/or the sub-contractors, their officers, agents, employees and affiliates from all claims, damages arising by reason of bodily injury, death or damage to property sustained by third party which is caused due to intentional or willful misconduct or gross negligence of JIPL or its sub-contractor, or by an officer, director, agent or employee.
- (iv) APRL has the responsibility of procuring all applicable license and permits required for the completion of the scope of works provided in the Contract.
- (v) JIPL has the responsibility of procuring and maintaining a comprehensive insurance policy from a reputed insurance company, covering risks and loss of goods right from issue of goods till taking over the units. APRL shall obtain adequate insurance to cover its indemnity obligations under the Contract.
- (vi) APRL is required to provide a corporate guarantee amounting to 7.50% of the First Set Contract Price and Second Set Contract Price, which is to be submitted before release of first payment under the Contract. Further, a plant performance corporate guarantee amounting to 5% of the First Set Contract Price and Second Set Contract Price shall be submitted by APRL at the time of payment of the final installment of the First Set Contract Price and Second Set Contract Price, which shall be valid until the expiry of the defects liability period.
- (vii) APRL is liable for all repairs and replacements, its own cost and expenses, of any defects or for any non-performance of any of the supply or services made under the Contract, for a period of 12 months from the date of completion of the reliability run of the unit.
- (viii) APRL is liable to pay liquidated damages in the event of delay in meeting completion schedule and for shortfall in performance of equipment and material. The liquidated damages for delay shall be calculated on the following basis:
 - (a) For failure to meet the completion schedule, APRL shall be liable to pay liquidated damages of an amount of 0.50% of the First Set Contract Price/ Second Set Contract Price, for each week of delay, subject to a maximum of 5% of the First Set Contract Price/ Second Contract Price respectively. However, the total of liquidated damages shall not be more than 7.50% of the aggregate of the contract price under the Contract, the contract for civil and structural works and the contract for erection and commissioning. In addition, JIPL shall also be entitled to liquidated damages under the contract for supply and the contract for erection and commissioning as a result of delay in performance of APRL; and
 - (b) For shortfall in performance of equipment and materials, APRL shall pay liquidated damages subject to a maximum of 5% of the First Set Contract Price and/or Second Set Contract Price calculated on pro-rata basis for each unit of the First Set Facility and/or Second Set Facility.

APRL's total liability under the Contract shall not exceed 100% of the First Set Contract Price and Second Set Contract Price respectively for each units contained in the First Set Facility and Second Set Facility. The payment of liquidated damages shall not relieve APRL of any of its obligations under the Contract.

- (ix) JIPL has the right to vary the scope and technical character of the Facility, unless it has a material adverse effect on unit's ability to meet the performance guarantee or the completion schedule or is not technically feasible.
- (x) All disputes regarding the Contract shall be resolved through arbitration in accordance with Arbitration and Conciliation Act, 1996 at Kolkata.

The Contract shall terminate in the event of termination of contract for onshore supply and/or contract for onshore erection and commissioning. JIPL has the right to terminate the Contract by giving a written notice of 45 days, in the event of a default by APRL or prolonged suspension of the work for a period exceeding 90, by giving APRL a 60 day written notice at its convenience, for an act of default by APRL. Either party may, by giving a notice of 45 days, terminate the Contract in the event a force majeure situation continues for a period of more than six months or nine months in a period of 12 months.

4. Contract for erection and commissioning services between JIPL and APRL dated December 13, 2010 and amendment agreement dated December 24, 2010

JIPL has entered into a contract with APRL dated December 13, 2010 (the "Effective Date") for the purpose of providing erection and commissioning services (the "Contract") for the 4 x 660 MW (2,460 MW) capacity coal based thermal power plant comprising of the first set (2 x 660 MW) facility (the "First Set Facility") and second set (2 x 660 MW) facility (the "Second Set Facility"), at Banka, Bihar. The consideration under the Contract for the First Set Facility is ₹ 2,110.00 million ("First Set Contract Price") and for the Second Set Facility is ₹ 2,140.00 million ("Second Set Contract Price"). The contract price is inclusive of all supplies and services, freight, forwarding, handling charges, transportation, transit insurance, project management services and all other incidental charges. APRL has the right to sub-contract whole or part of its work only after obtaining the prior written consent of JIPL. APRL shall, within three months from date of signing of the agreement, provide a list of major sub-contractors to JIPL for its approval. APRL shall obtain all permits for use of equipments for completion of the work, at its own cost and APRL shall not be entitled to a variation for delay in obtaining applicable permits which it is required to obtain. APRL shall provide an unconditional and irrevocable corporate guarantee amounting to 7.5% of the First Set Contract Price and Second Set Contract Price, which shall be submitted before release of first payment under the Contract. The plant performance corporate guarantee amounting to 5% of the First Set Contract Price and Second Set Contract Price shall be submitted by APRL at the time of payment of the final installment of the First Set Contract Price and Second Set Contract Price, which shall be valid until the expiry of the defects liability period.

Defects liability period

APRL shall be liable at its own cost and expenses for all repairs and replacements of any defects or for any non-performance of any of the supply or services made under the Contract, for a period of 12 months from the date of completion of the reliability run of the unit.

Liquidated damages and bonus payment

APRL is liable to pay liquidated damages in the event of delay in meeting completion schedule and for shortfall in performance of equipment and materials. The liquidated damages for delay shall be calculated on the following basis:

- (a) For failure to meet the completion schedule, APRL shall be liable to pay liquidated damages of an amount of 0.50% of the First Set Contract Price/ Second Set Contract Price, for each week of delay, subject to a maximum of 5% of the First Set Contract Price/ Second Contract Price for each

component separately. However, the total of liquidated damages shall not be more than 7.50% of the aggregate contract price under the Contract, the contract for civil and structural works and the contract for supply. In addition, JIPL shall also be entitled to liquidated damages under the contract for civil and structural works and the contract for supply as a result of delay in performance by APRL; and

- (b) For shortfall in performance of equipment and materials, APRL shall pay liquidated damages subject to a maximum of 5% of the First Set Contract Price and/or Second Set Contract Price calculated on pro-rata basis for each unit of the First Set Facility and/or Second Set Facility.

APRL's total liability under the Contract shall not exceed 100% of the First Set Contract Price and Second Set Contract Price respectively for each units contained in the First Set Facility and Second Set Facility. The payment of liquidated damages shall not relieve APRL of any of its obligations under the Contract.

JIPL shall pay a bonus equal to 0.50% of the First Set Contract Price/ Second Set Contract Price per week of early completion of the project, subject to a maximum of 5% of the First Set Contract Price and Second Set Contract Price

Variation

JIPL has the right to vary the scope and technical character of the project, unless it has a material adverse effect on the units' ability to meet the performance guarantee, affects the ability of APRL to perform the scope of works in accordance with the construction schedule or the completion schedule or is not technically feasible.

Indemnity

APRL will indemnify JIPL, its affiliates and its respective directors, officers, employees and agents against any losses, claims and liabilities together with legal expenses incurred which are attributable to failure on the part of APRL or its sub-contractors to comply with the applicable laws. APRL will indemnify JIPL or its agents, directors or employees against all losses in respect of personal injury, illness or death and in respect of loss or damage of property which arises as a consequence of execution of the works under the Contract. APRL has also provided indemnity to JIPL against all claims relating to infringement of patent, trademark, copy-right, design and devices. JIPL will indemnify APRL, and/or the sub-contractors, their officers, agents, employees and affiliates from all claims, damages arising by reason of bodily injury, death or damage to property sustained by third party which is caused due to intentional or willful misconduct or gross negligence of JIPL or its sub-contractor, or by an officer, director, agent or employee. JIPL has also indemnified APRL against any damages or claims arising out of a claim of patent infringement.

Termination and suspension

In the event JIPL fails to pay APRL any undisputed payment that continues for a period of 60 days after notice for the same is given, APRL may suspend work by giving a 10 days prior notice. JIPL may suspend work by giving APRL a 10 day notice stating the nature and anticipated duration of the suspension. The Contract shall terminate in the event of termination of the contract for supply and the contract for civil and structural works. JIPL has the right to terminate the Contract by giving a written notice of 45 days, in the event of a default by APRL or prolonged suspension of the work for a period exceeding 90 days, by giving APRL a 60 day written notice at its convenience and for an act of default by APRL. Either party may, by giving a notice of 45 days, terminate the Contract in the event a force majeure situation continues for a period of more than six months or nine months in a period of 12 months.

Dispute resolution

All disputes under the Contract which cannot be amicably resolved will be referred to arbitration under the Arbitration and Conciliation Act, 1996 in Kolkata.

5. **Contract for onshore supply between JIPL and APRL dated December 13, 2010**

JIPL has entered into a contract for supply with APRL dated December 13, 2010 ("Effective Date") for supply of equipment and materials from within India (the "Contract") for the 4 x 660 MW (2,460 MW) capacity coal based thermal power plant comprising of the first set (2 x 660 MW) facility (the "First Set Facility") and the second set (2 x 660 MW) facility (the "Second Set Facility"), to be located at Banka, Bihar. The consideration under the Contract for the First Set Facility is ₹ 24,090.00 million ("First Set Contract Price") and for the Second Set Facility is ₹ 22,830.00 million ("Second Set Contract Price"). The contract price is inclusive of all supplies and services, freight, forwarding, handling charges, transportation, transit insurance, project management services and all other incidental charges. APRL has the right to sub-contract whole or any part of the scope of the works to sub-contractor subject to the prior written consent of JIPL. APRL will ensure that the equipment and materials supplied under the Contract are fit and suitable for its intended purpose. Any equipment or material which is not specifically mentioned in the Contract but is necessary to ensure that the equipment are operable or to enable other contractors to achieve the performance guarantees or which can be reasonably inferred from the Contract, shall be supplied by APRL without any additional cost. APRL has an obligation to obtain, in a timely manner, all applicable permits as required to be obtained by APRL in connection with the project and JIPL shall provide reasonable assistance to APRL in procuring such permits and approvals. APRL will deliver to JIPL a contract performance guarantee, in the form of an unconditional and irrevocable advance payment corporate guarantee equivalent to 20% each First Set and Second Set Contract Price. APRL shall also provide a contract performance guarantee of 7.50% of the each First Set Contract Price and Second Set Contract Price and a plant performance contract guarantee equal to 5% of each First Set Contract Price and Second Set Contract Price. All guarantees are unconditional and irrevocable. The title of the equipment and material will pass to JIPL during the transport of the same from APRL's premise to the site by endorsement of documents of title by APRL in favor of JIPL.

Liquidated damages

APRL is liable to pay liquidated damages in the event of delay in and for shortfall in performance. The liquidated damages for delay shall be calculated on the following basis:

- (a) For failure to meet the commissioning schedule, APRL shall be liable to pay liquidated damages of an amount of 0.50% of the First Set Contract Price/ Second Set Contract Price, for each week of delay, subject to a maximum of 5% of the First Set Contract Price/ Second Contract Price for each component separately. In addition to this, JIPL shall also be entitled to liquidated damages under the contract for civil and structural works and the contract for erection and commissioning as a result of delay in performance of APRL.
- (b) For shortfall in performance APRL shall pay liquidated damages according to the formula agreed in the Contract subject to a maximum of 5% of the First Set Contract Price and/or Second Set Contract Price calculated on pro-rata basis for each unit of the First Set Facility and/or Second Set Facility.
- (c) Total liability for delay and shortfall in performance shall be limited to 7.5% of the total contract price of the First and Second Set Facility.

Variation

JIPL has the right to vary the scope and technical character of the facility and/or supplies stipulated in the contract, unless it has a material adverse effect on the unit's ability to meet the performance guarantee, affects the ability of APRL to perform the scope of works in accordance with the construction schedule or the completion schedule or is not technically feasible.

Indemnity

APRL will indemnify JIPL, its affiliates and its respective directors, officers, employees and agents against

any losses, claims and liabilities together with legal expenses incurred which are attributable to failure on the part of APRL or its sub-contractors to comply with the applicable laws. APRL will indemnify JIPL or its agents, directors or employees against all losses in respect of personal injury, illness or death and in respect of loss or damage of property which arises as a consequence of execution of the works under the Contract. APRL will also indemnify JIPL for any loss to the property (other than the facility) belonging to JIPL. JIPL will indemnify APRL, and/or the sub-contractors, their officers, agents, employees and affiliates from all claims, damages arising by reason of bodily injury, death or damage to property sustained by third party which is caused due to intentional or willful misconduct or gross negligence of JIPL or its sub-contractor, or by an officer, director, agent or employee.

Termination and suspension

In the event JIPL fails to pay APRL any undisputed payment that continues for a period of 45 days after notice for the same is given, APRL may suspend work by giving a 10 days prior notice. JIPL may suspend work by giving APRL notice stating the nature and anticipated duration of the suspension. The Contract shall terminate in the event of termination of the contract for erection and commissioning and the contract for civil and structural works. JIPL has the right to terminate the Contract by giving a written notice of 45 days, in the event of a default by APRL or prolonged suspension of the work for a period exceeding 90 days. Either party may, by giving a notice of 45 days, terminate the Contract in the event a force majeure situation continues for a period of more than six months or nine months in a period of 12 months.

Dispute resolution

All disputes under the Contract which cannot be amicably resolved will be referred to arbitration under the Arbitration and Conciliation Act, 1996 in Kolkata.

6. Contract for offshore supply between JIPL and APRL dated December 13, 2010 and amendment agreement dated April 1, 2011

JIPL has entered into a contract for supply with APRL (originally AINL) dated December 13, 2010 ("Effective Date") for supply of equipment and materials from outside India (the "Contract") for the 4 x 660 MW (2,460 MW) capacity coal based thermal power plant, comprising of the first set (2 x 660 MW) facility (the "First Set Facility") and the second set (2 x 660 MW) facility (the "Second Set Facility"), to be located at Banka, Bihar. All payments under the agreement shall be made in United States Dollar except advance payment of ₹ 4,658.00 million. The consideration under the Contract for the First Set Facility includes an advance of ₹ 4,658.00 million and USD 405.04 million (the "First Set Contract Price") and for the Second Set Facility is USD 506.30 million (the "Second Set Contract Price"). The contract price is inclusive of all supplies and services, freight, forwarding, handling charges, transportation, transit insurance, taxes and duties, project management services and all other incidental charges. APRL has the right to sub-contract whole or any part of the scope of the works to sub-contractor subject to the prior written consent of JIPL. On the specific request of APRL, JIPL shall open a letter of credit in favour of APRL or any of its contractors. APRL will ensure that the equipment and materials supplied under the Contract are fit and suitable for its intended purpose. Any equipment or material which is not specifically mentioned in the Contract but is necessary to ensure that the equipment are operable or to enable other contractors to achieve the performance guarantees or which can be reasonably inferred from the Contract, shall be supplied by APRL without any additional cost. APRL has an obligation to obtain, in a timely manner, all applicable permits as required to be obtained by APRL in connection with the project and JIPL shall provide reasonable assistance to APRL in procuring such permits and approvals. APRL will deliver to JIPL contract performance guarantee, in the form of an unconditional and irrevocable advance payment corporate guarantee equivalent to 20% each first set and second set contract price. APRL shall also provide a contract performance guarantee of 7.50% of the each First Set Contract Price and Second Set Contract Price and a plant performance contract guarantee equal to 5% of each First Set Contract Price and Second Set Contract Price. All guarantees are unconditional and irrevocable. The title of the equipment and material in the event of offshore supply will pass to JIPL when delivered over the ships or rail, at the port of export in the country of origin.

Liquidated damages

APRL is liable to pay liquidated damages in the event of delay in and for shortfall in performance. The liquidated damages for delay shall be calculated on the following basis:

- (a) For failure to meet the commissioning schedule, APRL shall be liable to pay liquidated damages of an amount of 0.50% of the First Set Contract Price / Second Set Contract Price, for each week of delay, subject to a maximum of 5% of the First Set Contract Price / Second Set Contract Price for each component separately. In addition, JIPL shall also be entitled to liquidated damages under the contract for civil and structural works and the contract for erection and commissioning as a result of delay in performance of APRL.
- (b) For shortfall in performance, APRL shall pay liquidated damages subject to a maximum of 5% of the First Set Contract Price and/or Second Set Contract Price calculated on pro-rata basis for each unit of the First Set facility and/or Second Set Facility.
- (c) Total liability for delay and shortfall in performance shall be limited to 7.5% of the total contract price of the First Set Facility and Second Set Facility.

Variation

JIPL has the right to vary the scope and technical character of the facility and/or supplies stipulated in the contract, unless it has a material adverse effect on the unit's ability to meet the performance guarantee, affects the ability of APRL to perform the scope of works in accordance with the construction schedule or the completion schedule or is not technically feasible.

Indemnity

APRL will indemnify JIPL, its affiliates and its respective directors, officers, employees and agents against any losses, claims and liabilities together with legal expenses incurred which are attributable to failure on the part of APRL or its sub-contractors to comply with the applicable laws. APRL will indemnify JIPL or its agents, directors or employees against all losses in respect of personal injury, illness or death and in respect of loss or damage of property which arises as a consequence of execution of the works under the Contract. APRL will also indemnify JIPL for any loss to the property (other than the facility) belonging to JIPL. JIPL will indemnify APRL, and/or the sub-contractors, their officers, agents, employees and affiliates from all claims, damages arising by reason of bodily injury, death or damage to property sustained by third party which is caused due to intentional or willful misconduct or gross negligence of JIPL or its sub-contractor, or by an officer, director, agent or employee.

Termination and suspension

In the event JIPL fails to pay APRL any undisputed payment that continues for a period of 45 days after notice for the same is given, APRL may suspend work by giving a 10 days prior notice. JIPL may suspend work by giving APRL notice stating the nature and anticipated duration of the suspension. The Contract shall terminate in the event of termination of the contract for erection and commissioning and the contract for civil and structural works. JIPL has the right to terminate the Contract by giving a written notice of 45 days, in the event of a default by APRL or prolonged suspension of the work for a period exceeding 90 days. Either party may, by giving a notice of 45 days, terminate the Contract in the event a force majeure situation continues for a period of more than six months or nine months in a period of 12 months.

Dispute resolution

All disputes under the Contract which cannot be amicably resolved will be referred to arbitration under the Arbitration and Conciliation Act, 1996 in Kolkata.

Other agreements

1. Shareholders' agreement between Manoj Jayaswal, Abhishek Jayaswal, Abhijeet Jayaswal, Vijay Jawaharlal Darda, Devendra Vijay Darda, Asera Banka Power Private Limited, JIPL and our Company dated October 29, 2010

Manoj Jayaswal, Abhishek Jayaswal, Abhijeet Jayaswal, Vijay Jawaharlal Darda, Devendra Vijay Darda, Asera Banka Power Private Limited ("ABPPL"), JIPL and our Company (together the "Parties") have entered into a shareholders' agreement dated October 29, 2010 ("JIPL SHA") specifying the equity contributions to be brought in by the respective Parties to part finance setting up of a 2,640 MW thermal power plant by JIPL in Jharkhand.

Contribution

The Parties have agreed to contribute ₹ 30,000 million towards the paid up capital of JIPL in the proportions provided below:

Name of the party	Amount (In ₹ Million)
Our Company	28,850
Asera Banka Power Private Limited	1,150

Whilst the Parties have agreed that the equity contributions will be made in the proportion provided above, JIPL can at its liberty call for equity subscription on a preferential basis. In the event, additional equity contributions are required, the same will be contributed by our Company and ABPPL will have no liability for the same. JIPL can also arrange for such additional equity contributions on the terms of terms mentioned in the JIPL SHA and any new subscriber is required to execute a deed of adherence. In the event of failure of any party to contribute for over three months after a call notice, any other party may bring in such contribution. CPL has the liberty to call for equity contribution on a preferential basis.

The board of directors and shareholders' of JIPL

The board of directors of JIPL is responsible for the management, supervision, direction and control of JIPL. JIPL will deal with the shareholders and their affiliates on an arms' length basis and shareholders' have agreed to use all reasonable endeavours to ensure that any existing or potential conflict of interest is brought to the attention of JIPL.

Transfer of shares

The Parties can freely transfer shares amongst themselves however, transfer of shares to any third party will require the prior approval of the existing shareholders of JIPL and the new shareholders will have to enter into a deed of adherence. As our Company is in negotiations with IL&FS Infrastructure Development Company Limited for purchase of its shareholding in JIPL, the restrictions on transfer of shares shall not apply such transfer In case ABPPL proposes to sell any of the shares held by it other than to the other shareholders, then it will offer the option to purchase such shares to the other shareholders prior to sale to any third party.

Term and termination

The JIPL SHA will be in force until any of the Parties hold any shares in JIPL and will be deemed to be terminated for such party which ceases to hold shares in JIPL. The JIPL SHA can be terminated by the Parties by mutual consent or by a non defaulting party on account of an event of default of JIPL by giving a prior notice of 45 days. The breach or failure to comply with the terms of the SHA which is not cured within 30 days, breach of any representation or warranty of the JIPL SHA or the bankruptcy, winding up or liquidation of any of the Parties would constitute an event of default.

REGULATIONS AND POLICIES

The following description is a summary of some of the relevant regulations and policies as prescribed by the Central and State Governments in India. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and this section is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice.

Power Generation

Background

The development of electricity industry in India was fashioned by two pieces of legislations namely the Indian Electricity Act, 1910 and the Electricity (Supply) Act, 1948 (the “Supply Act”). The Electricity Act introduced a licensing system for the electricity industry and the Supply Act was responsible for introducing greater state involvement in the industry, facilitating regional co-ordination.

The Supply Act promoted state-owned, vertically integrated units through the creation of the State Electricity Boards (“SEBs”), to develop ‘Grid System’. Under this legislation, the SEBs were made responsible for generation, transmission and distribution of electricity within the geographical limits of each State of the Indian Union. A government department was responsible for the electricity supply in states where SEBs were not set up. Under the Constitution of India, both the State and Central Governments have the power to regulate the electricity industry.

In the early 1990s, the power sector was liberalized and private participation in the generation sector was permitted by way of amendments in 1991 and 1998 to the Supply Act to open generation to private sector and establishment of regional load dispatch centres (“RLDCs”) and to provide for private sector participation in transmission.

In 1998, the Electricity Regulatory Commissions Act, 1998 (“ERC Act”) was enacted by the Central Government. The ERC Act provided for the establishment of independent electricity regulatory commission both at the Central and State levels. These regulatory commissions were set up with the objective of rationalizing the prevailing electricity tariff regime and promoting and regulating the electricity industry in the country. The Electricity Act, 1910, the Supply Act and the ERC Act have been repealed.

Salient features of the Electricity Act, 2003

The Electricity Act, 2003, as amended (“Electricity Act”) is a central unified legislation relating to generation, transmission, distribution, trading and use of electricity and replaces the Indian Electricity Act, 1910, Electricity (Supply) Act, 1948 and Electricity Regulatory Commissions Act 1998.

Under the Electricity Act, transmission, distribution and trade of electricity are regulated activities which require licenses from the appropriate electricity regulatory commission, established under the Electricity Regulatory Commissions Act, 1998, unless exempted by the appropriate government in accordance with the provisions of the Electricity Act. The respective regulatory commissions determine and supervise the tariff for supply of electricity from a generating company to any distribution licensee, transmission of electricity, wheeling of electricity and retail sale of electricity. The Electricity Act was amended in 2007 to exempt captive power generation plants from licensing requirements for supply to any licensee or consumer. The Central Government also announced a National Electricity Policy in 2005, to guide the development of the electricity sector in India. An appellate tribunal has been established under the Electricity Act to hear appeal against the decisions of the CERC and SERCs.

Licensing

The Electricity Act stipulates that no person can transmit or distribute or undertake trading in electricity, unless he is authorised to do so by a license issued under Section 14, or is exempt under Section 13 of the Electricity Act. The Electricity Act provides for transmission licensee, distribution licensee and licensee for electricity trading. There can be a private distribution licensee as well.

Generation

Under the Electricity Act, any generating company can establish, operate and maintain a generating station if it complies with the technical standards relating to connectivity with grid. Approvals from the Central Government, State Government and the techno-economic clearance from the CEA are no longer required, except for hydroelectric projects. Generating companies are now permitted to sell electricity to any licensees and where permitted by the respective state regulatory commissions, to consumers.

In addition, no restriction is placed on setting up of captive power plant by any consumer or group of consumers for their own consumption. Under the Electricity Act, no surcharge is required to be paid on wheeling of power from the captive plant to the destination of the use by the consumer. This provides financial incentive to large consumers to set up their own captive plants. Through an amendment in 2007, section 9 was amended to state that no separate license is required for supply of electricity generated from the captive power plant to any licensee or the consumer. The respective regulatory commissions determine the tariff for supply of electricity from a generating company to any distribution licensee, transmission of electricity, wheeling of electricity and retail sale of electricity. The CERC has the jurisdiction over generating companies owned or controlled by Central Government and those generating companies who have entered into or otherwise have a composite scheme for generation and sale in more than one state.

Transmission

Transmission being a regulated activity, involves intervention of various players. The Central Government is responsible for facilitating transmission and supply, particularly, inter-state, regional and inter-regional transmission. The Electricity Act vests the responsibility of efficient, economical and integrated transmission and supply of electricity with the Government of India and empowers it to make region-wise demarcations of the country for the same. In addition, the Central Government will facilitate voluntary inter-connections and coordination of facilities for the inter-state, regional and inter-regional generation and transmission of electricity.

The CERC, by a notification dated May 25, 2010, issued the CERC (Procedure, Terms and Conditions for grant of Transmission License and other related matters) (Amendment) Regulations, 2010. It provides, *inter alia*, that unless a transmission license is revoked earlier, it will continue to be in force for a period of 25 years from the date of issue.

CEA is required to prescribe certain grid standards under the Electricity Act and every transmission licensee must comply with such technical standards of operation and maintenance of transmission lines. In addition, every transmission licensee is required to obtain a license from the CERC and the respective SERCs, as the case may be.

The Electricity Act requires the Central Government to designate one government company as the central transmission utility (“CTU”), which would be deemed as a transmission licensee. Similarly, each State Government is required to designate one government company as state transmission utility (“STU”), which would also be deemed as a transmission licensee. The CTU and STUs are responsible for transmission of electricity, planning and co-ordination of transmission system, providing non-discriminatory open-access to any users and developing a co-ordinated, efficient and integrated inter-state and intra-state transmission system respectively. The Electricity Act prohibits CTU and STU from engaging in the business of generation or trading in electricity.

Under the Electricity Act, the Government of India was empowered to establish the national load despatch centre (“NLDC”) and RLDCs for optimum scheduling and despatch of electricity among the RLDCs. The RLDCs are responsible for (a) optimum scheduling and despatch of electricity within the region, in accordance with the contracts entered into with the licensees or the generating companies operating in the region; (b) monitoring grid operations; (c) keeping accounts of the quantity of electricity transmitted through the regional grid; (d) exercising supervision and control over the inter-state transmission system; and (e) carrying out real time operations for grid control and despatch of electricity within the region through secure and economic operation of the regional grid in accordance with the grid standards and grid code.

The transmission licensee is, amongst other things, required to comply with the technical standards of operation and maintenance of transmission lines as specified by CEA, directions of the RLDC and SLDC, building maintaining

and operating an efficient transmission system, providing non-discriminatory open access to its transmission system for use by any licensee or generating company on payment of transmission charges and surcharge in accordance with the Electricity Act.

The Electricity Act allows IPPs open access to transmission lines. The provision of open access is subject to the availability of adequate transmission capacity as determined by the Central / State Transmission Utility. The Act also lays down provisions for Intra State Transmission, where state commission facilitate and promote transmission, wheeling and inter-connection arrangements within its territorial jurisdiction for the transmission and supply of electricity by economical and efficient utilisation of the electricity.

The CERC has, by a notification dated August 7, 2009, issued the CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in Inter-State Transmission and Related Matters) Regulations, 2009, as amended by CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in Inter-State Transmission and related matters) (Amendment) Regulations, 2010, dated September 3, 2010, which apply to the grant of connectivity, long-term access and medium term open access, in respect of inter-state transmission system. A generating station, including a captive generating plant or a bulk consumer, seeking connectivity to the inter-state transmission system cannot apply for long-term access or medium term open access without applying for connectivity. The nodal agency for the grant of connectivity, long-term and medium-term open access to the inter-state transmission system is the Central Transmission Utility. The CERC has also notified the CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 which came into force from January 1, 2011.

The CERC, has by notification dated September 28, 2010, issued the CERC (Regulation of Power Supply) Regulations, 2010. These regulations apply to the generating station and the transmission system where there is a specific provision for regulation of power supply in case of non-payment of outstanding dues or non maintenance of letter of credit or any other agreed payment security mechanism in the agreement between any person who has been allocated electricity or being supplied electricity generated from a generating station through long term access or medium-term open access or a user of a transmission system of a transmission licensee and generating company or the transmission licensee as the case may be. This regulation provides *inter alia* that in the event there are outstanding dues, or default of payment schedule, the generating company or the transmission licensee, as the case may be, may serve a notice for regulation of power supply, on the defaulting entity, for reducing the drawal schedule in the case of the generating company or withdrawal of open access/access to inter state transmission system in the case of the transmission licensee.

The CERC by notification dated September 23, 2010, issued CERC (Rates, Charges and Terms and Conditions for use of Intervening Transmission Facilities) Regulations, 2010. This regulation applies where *inter alia* the contracting parties have failed to mutually agree on the rates and charges for the usage of such intervening transmission facilities. This regulation contains the model terms and conditions and the rates and charges specified in these regulations shall be the ceiling rates and charges and the parties may negotiate the rates and charges and the terms and conditions within the broad framework laid down under the aforementioned regulation.

Trading

The Electricity Act specifies trading in electricity as a licensed activity. Trading has been defined as purchase of electricity for resale. The license to engage in electricity trading is required to be obtained from the relevant electricity regulatory commission.

The CERC, by notification dated February 16, 2009, issued the CERC (Procedure, Terms and Conditions for grant of trading license and other related matters) Regulations, 2009 as amended (the “Trading License Regulations”) to regulate the inter-state trading of electricity. The Trading License Regulations define inter-state trading as transfer of electricity from the territory of one state for resale to the territory of another state and includes electricity imported from any other country for resale in any state in India.

In terms of the Trading License Regulations, any person desirous of undertaking inter-state trading in electricity shall make an application to the CERC for the grant of license. The Trading License Regulations set out various qualifications for the grant of license for undertaking electricity trading, including certain technical and professional qualifications and net worth requirements. An applicant is required to publish notice of his application in daily

newspapers to facilitate objections, if any, to be filed before CERC. Further, a licensee is subject to certain conditions including the extent of trading margin, maintenance of records and submission of auditors' report. The existing licensees were required to meet the net worth, current ratio and liquidity ratio criteria within a period up to March 31, 2010 and are required to pay license fee as specified by the CERC, from time to time. By virtue of the CERC (Procedure, Terms and Conditions for grant of license and other related matters) (First Amendment) Regulations, 2010, the existing licensees have been reclassified.

The eligibility criteria include norms relating to capital adequacy and technical parameters. However, the NLDC and RLDC, Central and State Transmission Utilities and other transmission licensees are not allowed to trade in power. The relevant electricity regulatory commissions also have the right to fix a ceiling on trading margins in intra-state trading. The CERC has, by a notification dated January 11, 2010, issued the CERC (Fixation of Trading Margin) Regulations, 2010 in relation to the short term buy-short term sell contracts for the inter-state trading in electricity undertaken by a licensee.

Distribution and Retail Supply

Distribution is a licensed activity and distribution licensees are allowed to undertake trading without any separate license. Under the Electricity Act, no license is required for the purposes of supply of electricity. Thus, a distribution licensee can undertake three activities: trading, distribution and supply through one license. The distribution licensee may, with prior permission of the appropriate commission, engage itself in any other activities for optimal utilisation of its assets.

Unregulated Rural Markets

The licensing requirement does not apply in cases where a person intends to generate and distribute electricity in rural areas as notified by the State Government. However, the supplier is required to comply with the requirements specified by the CEA such as protecting the public from dangers involved, eliminating/reducing the risks of injury, notify accidents and failures of transmission and supplies of electricity. It shall also be required to comply with system specifications for supply and transmission of electricity. The Electricity Act mandates formulation of national policies governing rural electrification and local distribution and rural off-grid supply including those based on renewable and other non-conventional energy sources. This policy initiative is expected to give impetus to rural electrification and also conceptualize rural power as a business opportunity.

Tariff Principles

The Electricity Act has introduced significant changes in terms of tariff principles applicable to the electricity industry. Earlier, the rate of return regulation as prescribed in the Sixth Schedule of the erstwhile Supply Act, which envisaged a two-part tariff, was the basis of tariff determination. Even in the case of state reform legislations, this Sixth Schedule was retained as the basis. The Electricity Act has done away with this provision and the two-part tariff mechanism.

Under the Electricity Act, the appropriate electricity regulatory commissions are empowered to determine the tariff for:

- supply of electricity by a generating company to a distribution licensee: Provided that the Appropriate Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and a licensee or between licensees, for a period not exceeding one year to ensure reasonable prices of electricity;
- transmission of electricity;
- wheeling of electricity; and

- retail sale of electricity. Provided that in case of distribution of electricity in the same area by two or more distribution licensees, the Appropriate Commission may, for promoting competition among distribution licensees, fix only maximum ceiling of tariff for retail sale of electricity.

The appropriate Electricity Regulatory Commission is required to be guided by the following while determining tariff:

- the principles and methodologies specified by the CERC for determination of the tariff applicable to generating companies and licensees;
- generation, transmission, distribution and supply of electricity are conducted on commercial principles;
- the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments;
- safeguarding consumers interest and also ensure recovery of the cost of electricity in a reasonable manner;
- incorporate principles which reward efficiency in performance;
- multi year tariff principles;
- tariff progressively reflects the cost of supply of electricity, at an adequate and improving level of efficiency;
- that the tariff progressively reduces cross subsidies in the manner to be specified by the appropriate commission;
- the promotion of co-generation and generation of electricity from renewable sources of energy; and
- the National Electricity Policy and Tariff Policy.

However, the Electricity Act provides that the electricity regulatory commission shall have to adopt such tariff that has been determined through a transparent process of bidding in accordance with the guidelines issued by the Central Government. The Ministry of Power has issued detailed guidelines for competitive bidding as well as draft documentation, power purchase agreements (“PPA”), for competitively bid projects.

The determination of tariff for a particular power project would depend on the mode of participation in the project. Broadly, the tariffs can be determined in two ways: (i) based on the tariff principles prescribed by the CERC (cost plus basis consisting of a capacity charge, an energy charge, an unscheduled interchange charge and incentive payments); or (ii) competitive bidding route where the tariff is purely market based.

Modes of participation in power projects

GoI announced major policy reforms in October 1991 widening the scope of private sector participation in power generation. The two modes of participating in power projects are either through the MoU route or the Bidding route. The initial batch of private sector power projects were therefore awarded generally on the basis of negotiation between the SEB and a single developer (“MoU Route”).

MoU Route

The cost determination under the MoU route usually involves:

- determination of receivables of capital cost. The capital costs are required to be approved by a CEA, Government of India;

- approval of interest rates and local and foreign debt;
- finalizing the term of loans and/or other debt;
- finalizing the extent of foreign exchange protection;
- fixing operating parameters within the prescribed ceilings;
- identifying deemed generation provisions;
- evaluating the extent of despatchability;
- evaluating the level of incentive payments;
- identifying change in law in terms of tax or any other matter;
- identifying the extent of working capital permissible;
- evaluating the premium on fuel prices for assured supply;
- identifying fuel supply and transportation risk and issues;
- evaluating escalations in operation and maintenance and insurance expenses permissible;
- evaluating the extent of maintenance of spares permissible; and
- rebates in respect of prompt payment.

The MoU route with a cost plus approach was initially adapted to attract investment. However, there were several complexities in calculating the above costs despite the capital cost of the project being frozen by the CEA. Under the Electricity Act, the CEA does not have the power to determine capital cost for the projects anymore and the requisite filings for approval of capital cost and tariff are with the regulatory commissions.

Bid Route

Bidding essentially is based on bulk power tariff structure. As noted, under the Electricity Act, the regulatory commission is required to adopt a bid-based tariff, although the bidding guidelines permit the bidding authority to reject all price bids received. The bidding guidelines recommend bid evaluation on the basis of levelised tariff. The bidding guidelines envisages two types of bids: Case I bids, where the location, technology and fuel is not specified by the procurers, i.e. the generating company has the freedom to choose the site and the technology for the power plant; and Case II bids, where the projects are location specific and fuel specific. Tariff rates for procurement of electricity by distribution licensees (Procurer), to be decided, can be for:

- long-term procurement of electricity for a period of seven years and above;
- medium term procurement for a period of up to seven years but exceeding one year.

For long-term procurement under tariff bidding guidelines, a two-stage process featuring separate RFQ and RFP stages shall be adopted for the bid process. The procurer may, at his option, adopt a single stage tender process for medium term procurement, combining the RFP and RFQ processes.

Under the bid route, typically the IPPs can bid at two parameters:

- The fixed or capacity charge; and

- The variable or energy charge, which comprises the fuel cost for the electricity generated. Bidders are usually permitted to quote a base price and an acceptable escalation formula.

The bidding guidelines envisages a two-step process – pre-qualification and final bid. Bidders are required to submit a technical and financial bid at the RFP stage.

Increasingly, the trend is to have all purchase of power and distribution licenses through competitive bids. The Tariff Policy, 2006 requires that all procurement of power after January 6, 2006 (except for PPAs approved or submitted for approval before January 6, 2006 or projects whose financing has been tied up prior to January 6, 2006) by distribution licensees has to be through competitive bidding. Some state regulators have, however, continued to purchase power under the MoU route, stating that the Tariff Policy is merely indicative and not binding.

Roles of key organisations and players

The roles and functions of certain key organisations and players that operate in the power sector have been set out below:

Central and State Governments

The Electricity Act reserves a significant involvement of the central government in the functioning of the power sector. It has been assigned a number of duties, including planning and policy formulation, rule making, appointing, establishing, designating authority, prescribing duties and other tasks, funding, and issuing directions.

The Central Government designates a CTU and establishes the NLDC, RLDC, the Appellate Tribunal, the Coordination Forum, and the Regulators' Forum. It has the power to vest the property of a CTU in a company or companies and decide on the jurisdiction of benches of the Appellate Tribunal. It also prescribes the duties and functions of the CEA, NLDC and RLDC.

The Central Government is also responsible, among other things, for the following: a) specifying additional requirements for granting more than one distribution licensee; b) providing no-objection certificates for granting license if the service area includes central government installations such as cantonment, aerodrome, defence area, etc; c) demarcating the country into transmission regions for the purpose of inter-state transmission; d) issuing guidelines for transparent bidding process; e) approving the salary and benefits of the employees of the CEA, CERC and Appellate Tribunal; f) referring cases to the Appellate Tribunal for removal of members of the CERC on the ground of misbehaviour; and g) prescribing the procedures for inquiry into misbehaviour by members.

The State Government exercises appointing, designating powers, provides funds and makes rules notifications, etc. It has the powers to appoint or remove members of the SERC including the chairman, to approve the terms and conditions of appointment of the secretary to the SERC and other staff. It is also responsible for constituting the selection committee for appointing members of SERC. It establishes the state load dispatch centre (SLDC), notifies the STU, vests property of STU in companies, draws up reorganisation of the SEB through acquiring its assets and re-vests it through a transfer scheme. It is empowered to constitute special courts, and state coordination forum. The State Government creates the SERC fund and can provide loan or grants for running the SERC. It also decides how the SERC should utilize the fund and how it should maintain accounts. The State Government can also provide subsidy to consumers, but the Electricity Act requires it to compensate the licensee in advance by the amount of loss expected to be suffered by the licensee in implementing the subsidy. The State Government notifies rural areas where exemption of license conditions would apply and issues directions to the SERC on public interest issues.

Central Electricity Authority

The CEA was created under the Supply Act and the Electricity Act retains the agency. The technical clearance required for power projects under the provisions of the Supply Act has been eliminated, except in cases of hydro projects above a certain capital investment.

Electricity Regulatory Commissions

The Electricity Act retains the two-level regulatory system for the power sector. At the central level, the CERC is responsible for regulating tariff of generating stations owned by the central government, or those involved in generating or supplying in more than one states, and regulating inter-state transmission of electricity. The SERCs on the other hand regulate intra-state transmission and supply of electricity within the jurisdiction of each state. CERC and the SERCs are guided by the National Electricity Policy, Tariff Policy and the National Electricity Plan while discharging their functions under the Electricity Act. The Electricity Regulatory Commissions are also guided by any direction given by the central government for CERC or the State Government for the SERC pertaining to any policy involving public interest. The decision of the government is final and non-challengeable with respect to the question that whether directions pertain to policy involving tariff, granting licensees, settling disputes between the generating companies and the licensees. The Electricity Regulatory Commissions exercise powers of a civil court and an appeal against the orders of the Commissions lie to the Appellate Tribunal.

Appellate Tribunal

Under the earlier electricity legislations, the relevant High Court was the appellate authority against orders that are passed by the SERC. Under the Electricity Act, the Appellate Tribunal has been set up as an appellate body against orders of the relevant electricity regulatory commissions or adjudicating officers in settling disputes. The Appellate Tribunal has the power to summon, enforce attendance, require discovery and production of documents, receive evidence and review decisions. The orders of the Appellate Tribunal are executable as decrees of a civil court. The orders of the Appellate Tribunal can be challenged in the Supreme Court of India by the aggrieved party.

Enforcement Agencies

The roles and functions of certain key enforcement agencies that operate in the power sector have been set out below:

Investigating Authority

The Electricity Regulatory Commissions have the powers to direct any person to investigate the affairs of and undertake inspection of the generating company if there is any failure by the generating company/licensee to comply with the provisions of the Electricity Act or the license, licensee. The Electricity Regulatory Commissions may direct the generating company/licensee to take such action as may be necessary upon receipt of report from such Investigation Authority.

Electrical Inspector

If the relevant government receives a complaint that there has been an accident in connection with the generation, transmission, distribution or supply of electricity or that in case of use of electrical lines or electrical plant, there is a likelihood of injury to human being or animal, it may require an Electrical Inspector to inquire and report as to the cause of the accident and the manner and extent to which the provisions of Electricity Act have been complied with. The Electrical Inspector is vested with the powers of a civil court under the Civil Procedure Code, 1908 for enforcing the attendance of witnesses and compelling the production of documents and material objects.

Foreign Investment Regulation

The industrial policy was formulated in 1991 to implement the Government's liberalisation programme and consequently industrial policy reforms relaxed industrial licensing requirements and restrictions on foreign investment. For details in relation to foreign ownership of Indian securities, please see "Restriction on Foreign Ownership of Indian Securities" on page 516.

FDI is allowed under the automatic route for 100% in respect of projects relating to electricity generation, transmission and distribution, other than atomic reactor power plants. There is no limit on the project cost and the quantum of FDI.

Indian Energy Exchange for Online Trading in Electricity

Indian Energy Exchange (“IEX”) is India’s first nationwide, automated, and online electricity trading platform. The exchange is planned to be operational in 2008. Approved by CERC on August 31, 2007, the exchange would enable efficient price discovery and price risk management in the electricity market besides providing benefits like transparency and cost efficiency to its members. In February 2007, the CERC issued guidelines for grant of permission to set up power exchanges in India. The exchange is conceived to catalyse modernisation of electricity trade in the country by ushering in a transparent and neutral market through technology-enabled electronic trading platform.

Regulatory framework applicable to Core Investment Companies

The RBI has issued a regulatory framework for systemically important core investment companies, primarily comprising of its circular dated August 12, 2010 (as amended by circular dated January 5, 2011) (the “Circulars”), and the Core Investment Companies (Reserve Bank) Directions, 2011 (the “Directions”). The Directions and the Circular set out the following conditions to be complied with by a company as on the date of the last audited balance sheet for it to be classified as a core investment company (“CIC”):

- (i) it holds not less than 90% of its net assets in the form of investment in equity shares, preference shares, bonds, debentures, debt or loans in group companies;
- (ii) its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its net assets;
- (iii) it does not trade in its investments in shares, bonds, debentures, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment; and
- (iv) it does not carry on any other financial activity referred to in Section 45 I(c) and 45 I(f) of the RBI Act, 1934, except (a) investment in bank deposits, money market instruments including money market mutual funds, government securities, bonds or debentures issued by the group companies, (b) granting of loans to group companies or guarantees issued on behalf of group companies.

Additionally, CICs with an asset size ₹ 1,000 million or more either individually or in aggregate along with other CICs in the group and which raise or hold public funds will be considered as systemically important core investment companies (“CICs-ND-SI”) and would be required to apply for a certificate of registration from RBI under Section 45-IA of the Reserve Bank of India Act, 1934 within six month of January 5, 2011.

The Directions, among other things, set out capital and leverage requirements to be fulfilled by every CIC-ND-SI, which are as follows:

- (i) Adjusted net worth of a CIC-ND-SI should not, at any point of time, be less than 30% of the aggregate risk weighted assets on the balance sheet items and risk adjusted value of off-balance sheet items as on the date of the last audited balance sheet as at end of the financial year; and
- (ii) The outside liabilities of a CIC-ND-SI should not, at any point of time, exceed 2.5 times its adjusted net worth as on date of the last audited balance sheet as at end of the financial year.

Every CIC-ND-SI is required to submit an annual certificate from its statutory auditors regarding compliance with the requirements of the Directions within one month of the finalisation of the balance sheet.

Procedure for coal linkage and allocation of coal blocks

The Ministry of Coal has issued the New Coal Distribution Policy, 2007, as amended (“NCD Policy”) in order to regulate the distribution and pricing of coal.

The NCD Policy deals with the distribution and pricing of coal to different consumers or sectors such as the defence sector, railways, power utilities, integrated and other customers. The NCD Policy also lays down of policies for new consumers and provides for a fresh scheme for e-auctioning of coal. The State Governments are required to determine the requirements of units in small and medium enterprises and take appropriate steps to evaluate the genuine consumption and monitor the use of coal. The NCD Policy has replaced the linkage system with enforceable fuel supply agreements (“FSA”).

The letter of assurance (“LoA”) issued is valid for a period of 24 months for consumers of independent power plants, captive power plants and power utilities. These entities are required to fulfill certain stipulated conditions and meet certain milestones during this timeframe failing which the LoA shall stand terminated. These entities are required to enter into a FSA within three months. New consumers are also required to furnish an “earnest money deposit” in the form of a bank guarantee, which shall stand discharged on the conclusion of a FSA. For power utilities including independent power plants and captive power plants among others, the system of linkage committee at the level of the government shall continue and Coal India Limited issues a LoA after the approval of application by the standing linkage committee.

The Ministry of Power has issued a circular dated September 3, 2007 in terms of which applicants are required to submit their proposals to the Ministry of Coal for grant of coal blocks/linkages. The proposal received from the Ministry of Coal for comments are sent to the Central Electricity Authority for their examination and remarks, for the purpose of which the standing committee has been established. The committee shall send its comments to the Ministry of Power keeping in view the norms of allocation of coal block/ linkages

Procedure for grant of coal linkages

The Ministry of Power has issued an office memorandum dated October 21, 2009 (the “2009 Memorandum”) which lays down the methodology for allocating coal linkages for 12th plan projects. This coal linkage policy was further amended by the Ministry of Power by an office memorandum dated March 18, 2011 (the “Amendment Memorandum”).

The 2009 Memorandum provides the sector wise priority for allocation of coal linkages. The first priority shall be to power projects of the central sector, state sector and projects to be bid out by states on tariff based competitive bidding followed by independent power projects and lastly captive power projects.

The prequalification of projects for coal linkage in terms of the 2009 Memorandum are the following:

- (i) Water allocation should be available to meet the full requirements of the project. A certificate to this effect, issued by the competent authority of the State Government, is required to be produced.
- (ii) The location and the area required for setting up of the power project should be clearly identified.
- (iii) A report of the State Government in relation to the availability of land for project purposes is required to be produced along with evidence of initiation of process for procurement of land.
- (iv) The developer of the project is required to furnish the report of the Expert Appraisal Committee of the MoEF along with terms of reference issued by the MoEF.
- (v) The project developer should meet the financial pre-qualifications (as defined in the standard bid document for procurement of power through tariff based competitive bidding (Case-I)).

As per the standard bid document for procurement of power through tariff based competitive bidding (case I), bidding company or bidding consortium should have networth equal to ₹ 5 million per MW of proposed capacity of the project being set up. The networth shall be calculated based on the unconsolidated audited annual accounts of any of the last three financial years immediately preceding the deadline of the bid.

Pursuant to the Amendment Memorandum coal linkage will not be granted to any project which has a unit size of less than 200 MW (not applicable to captive power plants). The Amendment Memorandum also introduced certain

amendments in relation to plants which have biomass as primary fuel, plants based on washery rejects and co-generation based plants.

Guidelines for allocation of coal blocks

Allocation of coal blocks in India is undertaken by a Screening Committee, set up by the Ministry of Coal. The Guidelines for Allocation of Captive Blocks and Conditions of Allotment Through the Screening Committee (the “Allocation Guidelines”), issued by the Ministry of Coal, provide that mining from a captive coal block can be undertaken by any company which is engaged in the approved end-use or a through a mining company supplying coal on an exclusive basis, provided that the end-user company has firm tie-up with mining company for supply of coal. The Allocation Guidelines further provide that independent coal mining companies can also be allocated captive coal blocks on the condition that the mining company has entered into a legally enforceable agreement and the coal so mined would be transferred to end user companies only for captive consumption.

In terms of the Allocation Guidelines, priority for allocation of coal blocks is given to the steel and power sector and within the power sector priority to projects with a capacity of 500 MW or more. The Allocation Guidelines also set out certain guidelines which may be considered while deciding the inter-se priority for allocation of a coal block among the competing applicants. These include the status and preparedness of the project, networth of the applicant company (or in the case of a new special purpose or joint venture companies, the networth of the principals), the date of commissioning of the captive mine and completion of detailed exploration as proposed in the application, technical experience, recommendations of the concerned State Government and administrative ministry and track record and financial strength of the company.

The Allocation Guidelines provide that in the event the requirement of coal of an applicant does not match with the reserves in a natural block then clubbing of requirements may be resorted to and a number of companies forming a consortium for utilization of a block for their captive use may be considered for allocation. More than one eligible company shall be allowed to do captive mining of coal by forming a joint venture coal mining company. Each constituent company of the joint venture coal mining company shall hold equity in the joint venture company in the proportion to their assessed requirement of coal and the coal produced shall be exclusively used for their respective end use projects.

Upon allocation of a captive coal block, the applicant has to submit an affidavit that it shall use the coal block exclusively for end use of the project for which the coal block has been allocated and shall comply with the milestones and schedule of implementation submitted and agreed by the Ministry of Coal, failing which the coal block may be de-allocated without any liability of the government. The applicant company is required to comply with certain conditions for allotment of the coal block. The Allocation Guidelines provide that coal production from the captive blocks shall commence within 36 months (42 months in case the area is in forest land) of the date of issue of the letter of allocation in case of open cast mines and in 48 months (54 months in case the area falls under forest land) from the date of the said letter in case of underground mines. In respect of an unexplored block, the allocatee company is required to apply for a prospecting license within three months of the date of issue of allotment and the exploration shall be completed and the geological report prepared within two years from the date of issue of the prospecting license.

In the case of fully explored blocks the allocatee company is required to purchase the report from the designated authority within six months of the letter of allotment. The allocatee company is required to submit a mining plan to the Central Government within the stipulated time period.

The Allocation Guidelines further provide that the mine opening permission shall be considered only after financial closure for the proposed end use project is reached.

Mining Laws

The Mines and Minerals (Development and Regulations) Act, 1957, as amended (“MMDR Act”), the Mineral Concession Rules, 1960, as amended, (“MC Rules”), and the Mineral Conservation and Development Rules, 1988, as amended, (“MCD Rules”), the Forest Conservation Act, 1980 as amended in 1988 and Forest Conservation Rules, 1981 as amended in May 1992 govern mining rights and the operations of mines in India. The MMDR Act

was enacted to provide for the development and regulation of mines and minerals under the control of India and it lays down the substantive law pertaining to the grant, renewal and termination of reconnaissance, mining and prospecting licenses. The MCD Rules outline the procedures for obtaining a prospecting license or the mining lease, the terms and conditions of such licenses and the model form in which they are to be issued. The MCD Rules lay down guidelines for ensuring mining is carried out in a scientific and environmentally friendly manner. Further, the Mines Act 1952, along with the rules and regulations seeks to regulate the working conditions of the workers in the mines and provides measures for health, safety and welfare of the workers employed in such mines.

The Mine and Minerals (Development and Regulation) Amendment Act, 2008 has introduced an amendment to the Mines and Minerals (Development and Regulations) Act, 1957, whereby for the purpose of granting any reconnaissance permit, prospecting license or mining lease in respect of an area containing coal and lignite, the Central Government may select, through auction by competitive bidding on terms and conditions that may be prescribed, a company engaged in production of iron and steel, generation of power, washing of coal obtained from a mine or such other end use as notified by the central government. The State Government shall grant such reconnaissance permit, prospecting license or mining lease in respect of coal and lignite. The auction by competitive bidding shall not be applicable to an area containing coal or lignite where it is considered for allocation to a government company or corporation for mining or any specified end use or in case an area is considered for allocation to a company or a corporation that has been awarded a power project on the basis of competitive bids for tariff. The Central Government has the power to make rules providing for the terms and conditions of auction by competitive bidding for selection of a company. The Ministry of Coal has issued draft guidelines for inviting offers for captive mining of coal for permitted end use through competitive bidding.

The GoI announced the National Mineral Policy in 1993, which was amended in 2008, to sustain and develop mineral resources so as to ensure the adequate supply for the present needs and future requirements of India in a manner which will minimize the adverse effects of mineral development on the forest, environment and ecology through appropriate protective measures. The aim of the National Mineral Policy is to achieve zero waste mining and the extraction and utilization of the entire run of mines within a framework of sustainable development through the establishment of a resource inventory and registry, manpower development through education and training, infrastructure development in mineral bearing areas and the facilitation of financial support for mining. At the same time, the GoI also made various Policy amendments to India's mining laws and regulations to reflect the principles underlying the National Mineral Policy.

The Draft Mines and Minerals (Development and Regulation) Act, 2010 (the “Draft Mining Act”)

The Ministry of Mines has prepared a Draft Mining Act, which seeks to decentralize powers to the States, increase revenues to the Government by bringing in concepts of price discovery and true value (including through rationalization of royalties, taxes and cesses), ensure equity, fair play, transparency and simple procedures (including through offer of mining blocks on auction basis, pursuant to promotional regional exploration by the State Government), and scientific mining and sustainable development. The Draft Mining Act proposes, among other things, that the holder of a mining lease, in respect of any person or persons holding occupation, usufruct or traditional rights of the surface of the land over which the lease has been granted is liable to allot free shares equal to 26% through promoter's quota in case the holder of lease is a company or an annuity equal to 26% of the profit after tax of the previous year, in case holder of lease is a person, on account of annual compensation and provide employment and/or other assistance in accordance with the rehabilitation and resettlement policy of the concerned State Government. In the event a company or the holder of lease does not make any profit after commencement of mining activity, such company or the lease holder will be required to pay such amount in lieu of annuity for the first five years from the date of commencement of mining activities. The Draft Mining Act has not been placed before the Parliament.

Accelerated Power Development and Reform Programme

Accelerated Power Development and Reform Programme (“APDRP”) has been formulated by the Ministry of Power, GoI in the year 2000-2001 with the objective of achieving financial turnaround in the performance of the power sector utilities, especially in the area of distribution. Earlier its name was Accelerated Power Development Programme which was changed to APDRP in the year 2002-2003. Funds disbursed under APDRP are used to implement specific projects relating to up-gradation and strengthening of sub-transmission and distribution network

including energy accounting and metering, renovation and modernization of sub-stations, consumer indexing, SCADA, computerized billing etc. In this scheme priority is given to the states that have committed themselves to a time-bound programme of reforms as elaborated in the Memorandum of Understanding and Memorandum of Agreement and are progressing on those commitments.

Environmental Regulations

The Company has to comply with the provisions of the Environmental (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”), the Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”), the Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 and the relevant Forest Conservation Acts. Further, in case operations involve clearance of forest land, the Forest (Conservation) Act, 1980, as amended (“Forest Conservation Act”) requires prior clearance of the GoI, through the MoEF.

The Environment (Protection) Act, 1986 (the “EPA”)

The EPA is an umbrella legislation in respect of the various environmental protection laws in India. The EPA vests the Government of India with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for *inter alia*, laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to ₹ 100,000 or imprisonment of up to five years, or both.

There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of Government analysts.

The Environment Impact Assessment Notification S.O. 1533(E), 2006 (the “EIA Notification”)

The EIA Notification issued under the EPA and the Environment (Protection) Rules, 1986, as amended, provides that the prior approval of the MoEF or State Environment Impact Assessment Authority, as the case may be, is required for the establishment of any new project and for the expansion or modernisation of existing projects specified in the EIA Notification. The EIA Notification states that obtaining of prior environmental clearance includes a maximum of four stages, i.e., screening, scoping, public consultation and appraisal.

An application for environmental clearance is made after the identification of prospective site(s) for the project and/or activities to which the application relates but before commencing any construction activity, or preparation of land, at the site by the applicant. Certain projects which require approval from the State Environment Impact Assessment Authority may not require an Environment Impact Assessment Report. For projects that require preparation of an Environment Impact Assessment Report public consultation involving both public hearing and written response is conducted by the state pollution control board. The appropriate authority makes an appraisal of the project only after a Final EIA Report is submitted addressing the questions raised in the public consultation process.

The prior environmental clearance granted for a project or activity is valid for a period of ten years in the case of river valley projects, project life as estimated by Expert Appraisal Committee or State Level Expert Appraisal Committee subject to a maximum of 30 years for mining projects and five years in the case of all other projects and activities. This period of validity may be extended by the regulatory authority concerned by a maximum period of five years.

The mining of minerals in a leased area of 50 hectares or more; coal or lignite based thermal power plants with a capacity of 500 MW or more; and hydro-electric power plants with a capacity of 50 MW or more, requires clearance from the MoEF. The mining of minerals in a leased area of five hectares or more, but less than 50 hectares; coal or lignite based thermal power plants with a capacity of more than 50 MW, but less than 500 MW; and hydro-electric power plants with a capacity of 25.6 MW or more, but less than 50 MW requires clearance from State Environment

Impact Assessment Authority.

The MoEF, has issued a circular (J-11013/41/2006-IA.II(I)) dated November 1, 2010, notifying that all proposals for EIA relating to thermal power projects, steel, sponge iron and other such projects which are largely dependent on availability of coal as a raw material shall be considered only after firm coal linkage is available and the status of environment and forestry clearance of the coal sourced, that is the linked coal mine/coal block is known. The thermal power projects, steel, sponge iron and other such projects, which are pending before the MoEF or the State Level Environment Impact Assessment Authorities (SEIAA's)/ State Expert Appraisal Committees ("SEAC") concerned for the consideration of environmental clearance are deferred and delisted till the status of the environment and forestry clearance of the coal supply source for Indian coal or the MoU for imported coal has been established and furnished.

Forest Conservation Act 1980, as amended ("Forest Conservation Act") and Forest Conservation Rules, 1981 ("Forest Rules")

The Forest Conservation Act aims to help and conserve the countries forests. The act restricts and regulates the de-reservation of forests for the use of forest land and non forest land. Prior approval of the central government is required for diversion of forest land and for any other non-forest purposes. The use of forest land for mining requires a prior clearance as per the Forest Conservation Act. The Central Government is empowered to constitute a committee which may grant approval under section 2 of the act and for any other matter connected with the conservation of forest. The Forest Conservation Act provides for penalty for the contravention of the provisions. The Forest Rules further prescribe rules relating to the working of the committee and also prescribes the form through which prior approval under section 2 of the Forest Conservation Act, needs to be obtained.

The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 ("Forest Rights Act")

The Forest Rights Act aims to provide ownership to forest dwellers over the forest land. The Forest Rights Act provides rights to forest dwelling schedule tribes, that is, tribes that reside in the forest and depend primarily on forest and forest land as a source for their livelihood needs. The Forest Right Act also recognizes the rights of "other traditional forest dweller" that is, any member or community which has been residing for three generations (25 years) prior to December 13, 2005, and depend on forest and forest resources for *bona fide* livelihood needs. The Forest Rights Act recognizes rights such as the right to hold and live in the forest, the right of ownership, to collect and use, the right of access to biodiversity and the community right to intellectual property and traditional knowledge relating to bio-diversity and cultural diversity. The forest rights also include the right to in situ rehabilitation including alternative land in cases where the scheduled tribes and other traditional forest dwellers have been illegally evicted or displaced from forest land without receiving their right to rehabilitation prior to December 13, 2005. The forest rights also include the right of land to forest dwelling scheduled tribe and other traditional forest dwellers who can establish that they were displaced from their dwelling and cultivation without land compensation due to state development interventions and where land has not been used for the purpose for which it was acquired within five years of acquisition. Further, no member of a forest dwelling scheduled tribe or other traditional forest dweller shall be evicted from forest land under his occupation until the recognition and verification procedure is complete. The Gram Sabha has been authorised to initiate the process of determining the nature and extent of forest rights of individuals or communities or both.

The Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the CPCB and the state pollution control boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases the state pollution control board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or imprisonment or both.

The CPCB has powers, *inter alia*, to specify and modify standards for streams and wells, while the state pollution control boards have powers, *inter alia*, to inspect any sewage or trade effluents, and to review plans, specifications or other data relating to plants set up for treatment of water, to evolve efficient methods of disposal of sewage and trade effluents on land, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or a well, to specify standards for treatment of sewage and trade effluents, to specify effluent standards to be complied with by persons while causing discharge of sewage, to obtain information from any industry and to take emergency measures in case of pollution of any stream or well. A central water laboratory and a state water laboratory have been established under the Water Act.

The Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”)

Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. The state pollution control board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state pollution control board. The penalties for the failure to comply with the provisions of the Air Act include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. If an area is declared by the State Government to be an air pollution control area, then, no industrial plant may be operated in that area without the prior consent of the state pollution control board.

Under the Air Act, the CPCB has powers, *inter alia*, to specify standards for quality of air, while the state pollution control boards have powers, *inter alia*, to inspect any control equipment, industrial plant or manufacturing process, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 (the “Hazardous Waste Rules”)

The Hazardous Waste Rules superseded the Hazardous Waste (Management and Handling) Rules, 1989 and regulate the handling, storage, treatment, recycling, import, export, packing, labelling and transportation of specified hazardous wastes. The rules *inter alia* apply to an occupier, that is, any person who has control over the factory or premise which produces any waste which by reason of its characteristics is likely to cause danger to health or environment. Under the Hazardous Waste Rules, the occupier is responsible for safe and environmentally sound handling of hazardous wastes which are generated in its establishment. Every person engaged in generation, processing, treatment and handling of hazardous wastes is required to obtain authorization under the rules from the relevant state pollution control board. The state pollution control board is empowered to cancel or suspend an authorization issued in the event the occupier fails to fulfill the conditions of the authorization or with any provisions of the Environment Protection Act, 1986.

The Company is required to obtain and maintain statutory clearances relating to pollution control and environment in relation to its power projects.

Kyoto Protocol and Carbon Credits

The Kyoto Protocol is a protocol to the International Framework Convention on Climate Change with the objective of reducing greenhouse gases (GHG) that cause climate change. The Kyoto Protocol was agreed on December 11, 1997 at the third conference of the parties to the treaty when they met in Kyoto, and entered into force on February 16, 2005. India ratified the Kyoto Protocol on August 22, 2006.

The Kyoto Protocol defines legally binding targets and timetables for reducing the GHG emissions of industrialized countries that ratified the Kyoto Protocol. Governments have been separated into developed nations (who have accepted GHG emission reduction obligations) and developing nations (who have no GHG emission reduction obligations). The protocol includes ‘flexible mechanisms’ which allow developed nations to meet their GHG emission limitation by purchasing GHG emission reductions from elsewhere. These can be bought either from

financial exchanges, from projects which reduce emissions in developing nations under the CDM, the Joint Implementation scheme or from developed nations with excess allowances.

Typical emission certificates are:

- Certified Emission Reduction (CER);
- Emission Reduction Unit (ERU); and
- Voluntary or Verified Emission Reductions (VER).

CERs and ERUs are certificates generated from emission reduction projects, under the CDM for projects implemented in developing countries, and under Joint Implementation (“JI”) for projects implemented in developed countries, respectively. These mechanisms are introduced within the Kyoto Protocol. For projects which cannot be implemented as CDM or JI, but still fulfill the required standards, VERs can be generated. VERs, however, cannot be used for compliance under the Kyoto Protocol.

Labour Laws and Regulations

Depending upon the nature of the activity undertaken by our Company, applicable labor laws and regulations include the following:

- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- The Employees’ State Insurance Act, 1948;
- The Factories Act, 1948;
- The Industrial Disputes Act, 1947;
- The Payment of Wages Act, 1936;
- The Employees’ Compensation Act, 1923;
- The Minimum Wages Act, 1948;
- The Payment of Bonus Act, 1965; and
- The Payment of Gratuity Act, 1972;

The Factories Act, 1948, as amended (the “Factories Act”)

The Factories Act defines a ‘factory’ to be any premise which employs or employed on any day in the previous twelve months, ten or more workers and in which a manufacturing process is being carried on with the aid of power or any premises where there are or were in the previous twelve months, at least twenty workers working even though there is no manufacturing process being carried on with the aid of power. State Governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

The Factories Act provides that the ‘occupier’ of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles

and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions.

The Energy Conservation Act, 2001, (the "EC Act") and the Energy Conservation (Amendment) Bill, 2010 (the "EC Amendment Bill")

The Energy Conservation Act, 2001, provides a framework for efficient use of energy and its conservation and for other related matters. The EC Act provides for the establishment of a statutory authority by the name of Bureau of Energy Efficiency (the "Bureau") and empowers the Central and State Governments to impose certain measures for efficient use of energy and its conservation. The EC Act provides for setting up a legal framework and institutional arrangements for embarking on an energy efficiency drive, which, *inter alia*, includes establishment of the Bureau by merging existing energy conservation institutions in order to effectively co-ordinate with consumers and other agencies. The EC Act also specifies a list of energy intensive industries which includes thermal power stations, electricity transmission companies and distribution companies and the Central Government is empowered to amend the same. The Central Government may, having regard to the quality of energy consumed or the norms and standards of energy consumption, direct the energy intensive industries to have energy audit conducted. The EC Act established a fund called the Energy Conservation Fund which is to be separately set up by both the Central Government and State Governments. The EC Act imposes penalties in case of contravention of the provisions of the EC Act and also provides for a procedure of adjudication.

The EC Amendment Bill, which proposes to amend the Energy Conservation Act, 2001 has been passed by both the houses of the parliament. The EC Amendment Bill lays down a framework for standards of energy conservation to be followed by different industries. The EC Amendment Bill empowers the Central Government to specify any user or class of users of energy in the energy intensive industries and other establishments as specified in the Schedule as a designated consumer having regard to the intensity or quantity of energy consumed and the amount of investment required for switching over to energy efficient equipments and capacity of industry to invest in it and availability of the energy efficient machinery and equipment required by the industry. The Schedule include industries such thermal power stations, hydel power stations, electricity transmission companies, distribution companies, railways, chemicals and textiles. The EC Amendment Bill further empowers the Central Government to issue energy saving certificates to those consumers whose energy consumption is less than the prescribed norms. The consumer whose energy consumptions is more than the prescribed norms may be required to purchase such energy saving certificates. The EC Amendment Bill provides for appeals to be heard by the appellate tribunal established under the Electricity Act, 2003.

COMPOSITE SCHEME OF ARRANGEMENT

Details of composite scheme of arrangement between APRL, AINL, our Company and the respective shareholders

The Calcutta High Court has, by an order dated August 25, 2010, sanctioned the composite scheme of arrangement between APRL, AINL, our Company and their respective shareholders under sections 391 to 394 of the Companies Act (the “Composite Scheme of Arrangement”). The Effective Date for the Composite Scheme of Arrangement (that is, the date on which the certified copy of the order of the Calcutta High Court was filed with the Registrar of Companies, West Bengal at Kolkata) is October 15, 2010. The Composite Scheme of Arrangement provides for:

- (i) the amalgamation of the power business of AINL with our Company, which consists of power businesses, assets, liabilities, investments, activities and operations, other than those comprised in the EPC Division of AINL, and further includes all other business, division and their respective assets and liabilities including the portion of general and multipurpose borrowing not allocated to the EPC Division; and
- (ii) the demerger of the engineering, procurement and construction division (the “EPC Division”) of AINL, and its transfer and vesting into APRL;

Certain other salient features of the Composite Scheme of Arrangement are detailed hereinbelow:

A. *Increase in authorised capital*

Pursuant to the Composite Scheme of Arrangement, the authorised share capital of our Company was increased to ₹ 101,300,000,000 comprising of 10,130,000,000 Equity Shares.

B. *Amalgamation of the power business and related matters:*

The appointed date for the amalgamation of the power business of AINL with our Company, and its transfer and vesting into our Company, is March 31, 2010 (“Appointed Date for Amalgamation”). On the Appointed Date for Amalgamation, the entire power business of AINL is deemed to be transferred to and vested in our Company. Consequently, AINL’s shareholdings in CPL and AMNEPL have been transferred to our Company pursuant to the Composite Scheme of Arrangement. Our Company has issued and allotted 39 fully paid up Equity Shares for every five equity shares of ₹ 10 each held in AINL to those members of AINL whose name appeared on the register of members of AINL on March 31, 2010. Consequently, 1,008,661,680 Equity Shares of our Company were allotted to the members of AINL on March 31, 2010.

Set forth are certain key features of the amalgamation of the power business into our Company:

- *Transfer of assets:* All the movable assets of AINL which are capable of transfer by mutual delivery or by endorsement and delivery have been physically handed over. In relation to the other movable assets, AINL is required to give notice to each party that AINL’s right to recover or realise the same has been extinguished, and that the right to recover or realise the same vests in our Company.
- *Legal proceedings:* All legal or other proceedings pending by or against AINL and relating to the power business would continue against our Company.
- *Contracts and deeds:* All contracts, deeds, agreements, schemes and other instruments of any nature in relation to the power business, subsisting or operative immediately on or before the Effective Date for the Composite Scheme of Arrangement, to which AINL is a party or to the benefits of which it is eligible will be in full effect against our Company.
- *Employees:* All the employees of AINL relating to the power business as on the Effective Date of the Composite Scheme of Arrangement are deemed to have become the employees of APRL with effect from the Appointed Date for Amalgamation on terms and conditions which are not less favourable than those on which they are engaged by AINL.
- *Accounting treatment:* With effect from the Appointed Date for Amalgamation, our Company has recorded the assets and liabilities of AINL in its books of accounts at their fair value. If considered appropriate for the purpose of the application of uniform accounting policies and methods, our Company may make

suitable adjustments. The excess of the net asset value of AINL transferred to our Company, after making adjustment as mentioned in the Composite Scheme of Arrangement, would be recorded as general reserve or capital reserve, as may be determined by our Board of Directors in line with the Composite Scheme of Arrangement and in accordance with the order of the Calcutta High Court. The shortfall, if any, will be debited or recorded as goodwill by our Company.

C. Demerger of the EPC Division and related matters

The appointed date for the demerger of the EPC Division of AINL, and its transfer and vesting into APRL, is April 1, 2009 (“Appointed Date for Demerger”). With effect from the Appointed Date for Demerger, the EPC Division was demerged from AINL and transferred and vested in APRL as a going concern. Consequently, 2,400 Equity Shares of APRL were allotted to the members of AINL on April 1, 2009.

Set forth are certain key features of the demerger of the EPC Division and its transfer and vesting to APRL:

- *Transfer of assets:* In respect of movable assets or assets which are transferable by delivery, or endorsement and delivery, the same were so transferred to APRL. The other assets stand transferred and vested in APRL without any further act and deed.
- *Assets and liabilities:* All assets and liabilities were transferred at values appearing in the books of account of AINL on the Appointed Date for Demerger, which were set forth in the closing balance sheet of AINL as of the close of business hours on the date preceding the Appointed Date for Demerger.
- *Legal proceedings:* All legal or other proceedings by or against AINL pending as on the Appointed Date for Demerger or instituted in the future and relating to the EPC Division will be continued and enforced by or against APRL from the Effective Date of the Composite Scheme of Arrangement.
- *Contracts and deeds:* Upon the coming into effect of the Composite Scheme of Arrangement, all contracts, deeds, agreements, schemes and other instruments of any nature in relation to the EPC Division to which AINL is a party or to the benefits of which it is eligible will be in full effect against APRL.
- *Employees:* All the employees of AINL relating to the EPC Division as on the Effective Date of the Composite Scheme of Arrangement are deemed to have become the employees of APRL on terms and conditions which are not less favourable than those on which they are engaged by AINL.
- *Accounting treatment:* APRL is, on the Effective Date of Composite Scheme of Arrangement, required to record the assets and liabilities pertaining to the EPC Division of AINL at the respective book values as appearing in the books of AINL and the same is to be reduced from the book values of the assets and liabilities of AINL. If considered appropriate for the application of uniform accounting methods and policies between APRL and AINL, APRL may make suitable adjustments. Surplus or deficit, if any, arising out of the difference in value of the net assets of the EPC Division transferred from AINL and recorded by APRL in accordance with the Composite Scheme of Arrangement, over the amount credited as share capital and after making adjustments in accordance with the provisions of the Composite Scheme of Arrangement, is required to be given effect in the general reserve account.

D. Dissolution of AINL

The Composite Scheme of Arrangement envisages that on it becoming effective, AINL would cease to exist and be dissolved in terms of section 394 of the Companies Act. The Calcutta High Court has passed an order dated May 12, 2011 for the dissolution of AINL without winding up.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as Abhijeet Infrastructure Capital Private Limited, a private limited company on July 16, 2002 under the Companies Act. Our Company was converted to a public limited company and was issued a fresh certificate of incorporation dated October 27, 2010. The name of our Company was changed to Abhijeet Power Limited, to reflect its current business activities, and a fresh certificate of incorporation was issued dated November 3, 2010. The registered office of our Company was originally located at F-8, MIDC Industrial Area, Hingna Road, Nagpur 440 016. Presently, our Registered Office is located at EN1, 3rd Floor, Insignia Towers, Sector V, Salt Lake, Kolkata 700 091. For details, please see “*Changes in Registered Office*” below. We are a power project development company.

History of our Company and our Promoters

Our Company was promoted by the members of “BLS Family”, comprising Basant Lall Shaw, Arbind Kumar Jayaswal, Manoj Jayaswal and Ramesh Kumar Jayaswal, and their respective spouses and children. The BLS Family had also promoted certain other companies (collectively the “BLS Companies”). Pursuant to a family settlement among the members of the BLS Family, Basant Lall Shaw, Arbind Kumar Jayaswal and Ramesh Kumar Jayaswal along with their respective spouses and children disassociated from our Company. The terms of such disassociation are recorded in an Indenture of Family Settlement dated July 31, 2008 (the “Indenture”) among the members of the BLS Family.

The Indenture, *inter alia*, records the division of the businesses of the BLS Family between the Manoj Jayaswal, his spouse, his sons and their families (collectively the “Manoj Jayaswal Group”) on one hand and the other members of the BLS Family on the other hand. For further details, see “Our Promoters and Promoter Group” on page 247.

Details of the Composite Scheme of Arrangement

For details in relation to the Composite Scheme of Arrangement, please see “Composite Scheme of Arrangement” on page 221.

Changes in Registered Office

Date of Change of Registered Office	Address	Reason
April 9, 2009	Change of registered office from F-8, MIDC Industrial Area, Hingna Road, Nagpur 440 016 (Maharashtra) to 39 Ambazari Layout, Nagpur 440 010 (Maharashtra)	Administrative convenience
January 20, 2010	Change of registered office from 39 Ambazari Layout, Nagpur 440 010, Maharashtra to EN1, 3 rd Floor, Insignia Towers, Sector V, Salt Lake, Kolkata 700 091 (West Bengal)	Administrative convenience

Major Events of our Company

The table sets forth some of the major events of our Company (including its Subsidiaries, AMNEPL and JIPL, and those of CPL and MCCPL, our Joint Ventures).

Year	Event
2002	<ul style="list-style-type: none"> Our Company was incorporated as Abhijeet Infrastructure Capital Private Limited

Year	Event
2007	<ul style="list-style-type: none"> • AMNEPL signed Concession Agreement with MADC • Corporate Ispat signed MoU with Government of Jharkhand to set up the Chandwa Power Project
2008	<ul style="list-style-type: none"> • JIPL was allotted Mahuagarhi coal block jointly with CESC Limited in Jharkhand for the Banka Power Project • Permission from Ministry of Coal for use of middlings generated as a result of washing coal from captive coal block allocated to Corporate Ispat.
2009	<ul style="list-style-type: none"> • Financial closure for the MIHAN Power Project
2010	<ul style="list-style-type: none"> • Financial closure for 540 MW of Chandwa Power Project • Debt requirement of ₹ 59,200 million for Banka Power Project underwritten • Letter of assurance from Central Coalfields to CPL for supply of 1.99 million tonnes per annum of grade E coal • The Ministry of Coal, GoI authorised the issuance of letter by Coalfields India Limited to MADC
2011	<ul style="list-style-type: none"> • Financial closure for 540 MW of Chandwa Power Project • Three units of 61.5 MW each of the MIHAN Power Project commissioned • The Ministry of Coal directed Coal India Limited to transfer of the Letter of Assurance from MADC to AMNEPL

Other details regarding our Company

Details regarding corporate profile, description of activities, growth, competition, management, suppliers, customers, environmental issues, technology, market and other relevant business details

Refer “Our Business” on page 125 and “Our Management” on page 228.

Injunction or restraining order, if any, with possible implications

None

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, if any

Pursuant to the Composite Scheme of Arrangement, effective from October 15, 2010, the power business of AINL was merged into our Company. By virtue of this merger, AMNEPL became a subsidiary of our Company, and we acquired 48.99% shareholding in CPL. For details of the Composite Scheme of Arrangement, please see “Composite Scheme of Arrangement” on page 221.

Main Objects of our Company

The main objects as contained in the Memorandum of Association are:

1. To promote, undertake, acquire, carry on either on its own or through any other entity or to enter into agreements, contracts, partnership, alliance or any other arrangement for technical, financial and operational assistance or sharing of profits / losses with any person / body / bodies corporate incorporated in India or abroad either under a strategic alliance or joint venture or any other arrangement, in India or any part of the world, the business of generating, developing, transmitting, distributing, trading and supplying all forms of electrical power/energy from any source whatsoever and to construct, lay down, establish, fix, carry out and operate necessary power stations, cables, wires, lines, transmission lines, electrical tubes, accumulators, lamps and works or any other such equipment in connection with the generation,

development, transmission, transformation, propagation, accumulation, employment, distribution, trading or supplying any form of electrical power/energy to any person or entity whatsoever and to carry on the business of electrical and mechanical engineers, traders, suppliers or distributors of electricity for the purposes of light, heat, motive power or otherwise, and manufacturers of and dealers in apparatus and things required for or capable of being used in connection with the generation, distribution, trading, supply, accumulation and employment of electricity, galvanism, magnetism or otherwise and business of establishing, commissioning, setting up, operating & maintaining electric power generating stations based on conventional/non-conventional resources, tie-lines, sub-stations and transmission lines on Build, Own and Operate (BOO) and/or Build, Own and Transfer (BOT), and/or Build, Own, Lease and Transfer (BOLT) and/or Build, Own, Operate and Transfer (BOOT) basis and/or otherwise, and to carry on the business of acquiring, operating, managing and maintaining existing power generation stations, tie-lines, sub-stations and transmission lines, either owned by the private sector or public sector or any Government or Governments or other public authorities or any other person or entity whatsoever and for any or all of the aforesaid purposes, to do all the necessary or ancillary activities as may be considered necessary or beneficial or desirable and in any manner deal with or dispose of undertaking, property, assets, rights and all other effects which in the opinion of the Company is conducive to the attainment of any or all of its business objectives or to acquire and dispose of shares, securities and interest in such businesses.

2. To act as consultants and to advise and assist on all aspects of corporate, commercial and industrial management or activity including production, manufacturing, personnel, financial, marketing, taxation, audit, technology, insurance, purchasing, sales, quality, control, productivity, planning, research and development, project management, supervision, schedule, safety and quality control, organization, import and export business, industrial relations and management and to make evaluations feasibility studies, project reports forecasts and surveys and to give advice on acquisition and commercial exploitation of power and suggest ways and means for improving efficiency in power projects, business organizations of registered or co-operate societies, partnership or proprietary concerns and industries of all kinds in India and elsewhere in the world and improvement of business management, office organization and export management, to supply to and provide, maintain and operate services, facilities, conveniences, bureau and the like for the benefit of the relevant entity including assistance in acquiring governmental, regulatory and any other required approvals, to recruit and/or advice on the recruitment of staff for any company or other entity, to publish and sell books, bulletins periodicals and any other form of printed matters, to acquire, sell and deal in patents designs and any other rights to industrial property, and generally to conduct market research, product planning, classes, seminars and conferences in connection with any of the foregoing.
3. To carry on the business of design, engineering, construction and development of power projects of any description whatsoever including hydro-electric projects, renewable energy, nuclear, gas, coal fuel oil, combined cycle, biomass, wind, solar based projects or any other form of energy from any source whatsoever, power transmission and distribution, real or personal estate/properties, airports, oil and gas, highways, pipelines, telecom, IT Parks, industrial infrastructure, warehouses, transportation systems, water resources, tunnels, dams, seaports, Special Economic Zones (SEZ) and other infrastructure projects.
4. To carry on in India or elsewhere in the world, either alone or jointly with one or more persons, government, local or other bodies, by way of ownership of incorporated and unincorporated entities, joint venture, lease, sub-lease or any other arrangement, the business to search, prospect, explore, win, mine including captive mining, quarry or any other place, dispose of, purchase, trade, take on lease or otherwise acquire or use freehold and other lands, properties, mines and mineral properties exploration rights, concessions, leases, claims, licences of or other interest in mines, mining and offshore rights, mineral properties and water rights to prospect, explore, develop and work claims or mines, drill and sink shafts or wells and raise, pump, dig and quarry for all sorts of major and minor minerals, working deposits thereof and sub soil minerals and to extract, crush, win, set, quarry, smelt, calcine, refine, dress, preserve, store, amalgamate, process, harden, blend, crush, clean, purify, refine, temper, polish, wash, manufacture, manipulate, convert or in other way extract and/or process, transport and prepare for market, captive use, sale, resale, export, trade, supply, distribution or any other purpose whatsoever and to market, use captively, sell, re-sell, export, trade in, supply, distribute or deal(including import or purchase) in metals, substances, catalysts or mineral substances, all types of stones, lime, chalk, clay, refractories, ceramics, stonewares, porcelain wares, proppants, oil, coke, coal, precious stones, coal, coke, slag, slag granules,

bauxite, lignites, rock-phosphate, brimstone, quartz, granite, marble, silica, silica sand, brine, rare earths, gypsum deposits, iron ore, aluminium, titanium, vanadium, mica, apalite, chrome, copper, gypsum, zircon, tungsten, oil, petroleum, natural gas, coal seam gas or coal bed methane, earth and other natural substances in solid, liquid, gaseous or any other form, organic or inorganic, and the alloys, products or byproducts, mixtures, derivatives thereof or products and to do all such other processes necessary in connection with the same.

5. To carry on in India or elsewhere the business to search manufacture, produce, process, refine, mix, formulate, purify, disinfect, convert, commercialize, control, compound, develop, distribute, derive, discover, release, manipulate, prepare, acquire, store, supply, import, export, buy, sell, turn to account and to act as agent, broker, trader, bottler, refiner, concessionaire, stockiest, transporter, collaborator, consignor, consultant, job worker or otherwise to establish and manage the fuel systems, oils, gases, coals, coal rejects, naphtha, liquefied natural gas, raw petroleum stock or any other fuel in solid, liquid or gas form, whether found in natural state or obtained by processing from other substances including transformation of coal into liquid and underground coal gasification and deal in all sorts of liquid coal and coal gas, which may be required for the generation, transmission, distribution, trading and supply of electrical power or as may be required or used in industries, agriculture, laboratories, clinics, hospitals, refrigeration, aviation, transport vehicles, space rockets, aircrafts, communication, power plants, domestic or public lighting, cooling, or cooking purposes, water works, defense or welfare establishments, horticulture, forest or plant protection and for other allied purposes.
6. To form, settle, acquire, set up, incorporate, establish, promote, subsidize, organize and assist or aid in forming, promoting, subsidizing, organizing or aiding, companies, trusts, funds, entities or partnerships of all kinds for any purpose including for the purpose of accepting and undertaking any properties, businesses, assets, liabilities of this Company, or with objects similar in whole or part with that of Company and invest therein.

Amendments to the Memorandum of Association

Our Memorandum of Association has been amended on the following instances since incorporation of our Company:

Date of shareholders' resolution	Nature of Amendment
August 29, 2009	Alteration to registered office clause of the Memorandum of Association for change of registered office from Maharashtra to West Bengal
March 25, 2010	Alteration to capital clause of Memorandum of Association - authorised share capital of ₹ 20,000,000 divided into 2,000,000 Equity Shares was increased to ₹ 240,000,000 divided into 24,000,000 Equity Shares
April 19, 2010	Alteration of the main objects clause of the Memorandum of Association – substitution of main objects clause to provide for investing in the power sector
October 13, 2010	Alteration to capital clause of Memorandum of Association - authorised share capital of ₹ 240,000,000 divided into 24,000,000 Equity Shares each was increased to ₹ 100,000,000,000 divided into 10,000,000,000 Equity Shares
	Conversion of the Company from a private limited company to a public limited company
	Alteration of the main and incidental objects of the Company - clause III (A) (main objects clause), clause III (B) (incidental objects clause) and clause III (C) (other objects clause) of the Memorandum of Association were deleted and substituted by

Date of shareholders' resolution	Nature of Amendment
	the altered clauses
	Change of the name of our Company from Abhijeet Infrastructure Capital Private Limited to Abhijeet Power Limited

Subsidiaries and Holding Company

Our Company has two Subsidiaries, namely AMNEPL and JIPL. For details, please see “Our Subsidiaries and Joint Ventures” on page 243.

Our Company’s holding company is Abhijeet Mining Limited, which is also our Promoter. For details, please see “Promoters and Promoter Group” on page 247.

Promoters

The Promoters of our Company are Manoj Jayaswal, Abhijeet Mining Limited and Corporate Ispat Alloys Limited. For details, please see “Promoters and Promoter Group” on page 247.

Capital raising activities through equity or debt

For details regarding our capital raising activities through equity, please see “Capital Structure” on page 70. For details of our capital raising activities through debt, please see “Financial Indebtedness” on page 381.

Our Shareholders

For details regarding our shareholders, please see “Capital Structure” on page 70.

Key Agreements

For details of key agreements, please see “Description of Certain Key Contracts” on page 151.

Strategic partners

Our Company does not have any strategic partners.

Financial partners

Our Company does not have any financial partners.

OUR MANAGEMENT

Under our Articles of Association we are required to have not less than three Directors and not more than such number as may be stipulated by the Companies Act. We currently have eight Directors.

The following table sets forth details regarding our Board as of the date of filing of the Draft Red Herring Prospectus:

Name, Father's Name, Designation, Business Address, Occupation, Nationality Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
Manoj Jayaswal (S/o Basant Lall Shaw) Chairman, Whole time Director Address: 246, Usha Sadan, Pt. R. S. S. Marg, Civil Lines, Nagpur Occupation: Business Nationality: Indian Term: 5 years DIN: 00127254	56	<i>Other directorships</i> <ul style="list-style-type: none"> • Aagam Vincom Private Limited • Abhijeet Bihar Roadways Limited • Abhijeet Hazaribagh Toll Road Limited • Abhijeet Infrastructure Limited • Abhijeet MADC Nagpur Energy Private Limited • Abhijeet Mining Limited • Abhijeet Projects Limited • Abhijeet Roads Limited • Abhijeet Ventures Limited • Accurate Commercial Private Limited • AE Coal Technologies India Private Limited • AMR Iron and Steel Private Limited • AMR Steel Industries Private Limited • Corporate Ispat Alloys Limited • Corporate Power Limited • Cute Banijya Private Limited • Dadhich Vinimay Private Limited • Dhruv Vintrade Private Limited • Inertia Iron And Steel Industries Private Limited • Jagannathpur Steel Limited • James Suppliers Private Limited • Jas Infrastructure and Power Limited • Jas Toll Road Company Limited • Jayaswals Ashoka Infrastructure Private Limited • Kaizen Power Limited • Micro Vehicles Private Limited • Mukul Vinimay Private Limited • Tigerhill Marketing Private Limited <i>Trusts</i> <ul style="list-style-type: none"> • Abhishek Family Trust • Abhishek Trust • The Jayaswal Basant Lall Shaw Family Trust
Abhishek Jayaswal (S/o Manoj Jayaswal) Managing Director (Executive)	33	<i>Other directorships</i> <ul style="list-style-type: none"> • Aagam Vincom Private Limited • Abhijeet Bihar Roadways Limited • Abhijeet Ferrotech Limited

Name, Father's Name, Designation, Business Address, Occupation, Nationality Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
<p>Address: 246, Usha Sadan, Pt. R. S. S. Marg, Civil Lines, Nagpur</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Term: 5 years</p> <p>DIN: 00191841</p>		<ul style="list-style-type: none"> Abhijeet Hazaribagh Toll Road Limited Abhijeet Infrastructure Limited Abhijeet MADC Nagpur Energy Private Limited Abhijeet Mining Limited Abhijeet New India Cement Private Limited Abhijeet Projects Limited Abhijeet Roads Limited Abhijeet Toll Road (Karnataka) Limited Abhijeet Ventures Limited Accurate Commercial Private Limited AE Coal Technologies India Private Limited Bander Coal Company Private Limited Corporate Ispat Alloys Limited Corporate Power Limited Cute Banijya Private Limited Dadhich Vinimay Private Limited ECLAT Ventures Private Limited Efficient Ventures Private Limited James Suppliers Private Limited Jas Infrastructure and Power Limited Jas Toll Road Company Limited Jayaswals Ashoka Infrastructure Private Limited Linkman Commotrade Private Limited Micro Vehicles Private Limited Mukul Vinimay Private Limited Tigerhill Marketing Private Limited Toplight Tradelink Private Limited <p><i>Trusts</i></p> <ul style="list-style-type: none"> Abhijeet Trust
<p>Abhijeet Jayaswal (S/o Manoj Jayaswal)</p> <p>Non-Executive Director</p> <p>Address: 246, Usha Sadan, Pt. R. S. S. Marg, Civil Lines, Nagpur</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Term: Liable to retire by rotation</p> <p>DIN: 01790531</p>	29	<p><i>Other directorships</i></p> <ul style="list-style-type: none"> Abhijeet Energy Private Limited Abhijeet Ferrotech Limited Abhijeet Hazaribagh Toll Road Limited Abhijeet Infracon Limited Abhijeet Madhya Pradesh Power Private Limited Abhijeet Mining Limited Abhijeet Natural Resources Private Limited Abhijeet New India Cement Private Limited Abhijeet Offshore Mining Private Limited Abhijeet Roads Limited Abhijeet Toll Road (Karnataka) Limited Abhijeet Ventures Limited Concord Dealers Private Limited Corporate Cement Limited Corporate Ispat Alloys Limited Corporate Power Limited

Name, Father's Name, Designation, Business Address, Occupation, Nationality Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
		<ul style="list-style-type: none"> • Dhruv Vintrade Private Limited • ECLAT Ventures Private Limited • Efficient Ventures Private Limited • Global Powmin Limited • Jas Toll Road Company Limited • Linkman Commotrade Private Limited • Mahuagarhi Coal Company Private Limited • Toplight Tradelink Private Limited
K. Ravi Kumar (S/o Soundararajan Krishnaswamy) Non-Executive Director Address: 277, Asian Games Village, New Delhi 110 049 Occupation: Service Nationality: Indian Term: Liable to retire by rotation DIN: 00119753	61	<i>Other directorships</i> <ul style="list-style-type: none"> • Jas Infrastructure and Power Limited
T. S. Bhattacharya (S/o Sudhir Chandra Bhattacharya) Independent Director Address: Flat No. 8BE, B-1, Harbour Heights Colaba, Mumbai 400 005 Occupation: Consultant Nationality: Indian Term: Liable to retire by rotation DIN: 00157305	63	<i>Other directorships</i> <ul style="list-style-type: none"> • IDFC Securities Limited • JSL Stainless Limited • Nuclear Power Corporation of India Limited • Sayaji Hotels Limited
M. L. Bhakta (S/o Laxmidas Bhakta) Independent Director Address: 4 Sagar Villa, 38, Bhulabhai Desai Road, Mumbai 400 026 Occupation: Advocate and Solicitor Nationality: Indian	79	<i>Other directorships</i> <ul style="list-style-type: none"> • Ambuja Cements Limited • Indian Merchants' Chamber • JCB India Limited • Lodha Developers Limited • Micro Inks Limited • Reliance Industries Limited <i>Partnerships</i>

Name, Father's Name, Designation, Business Address, Occupation, Nationality Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
Term: Liable to retire by rotation DIN: 00001963		<ul style="list-style-type: none"> Kanga and Company
P. P. Sharma (S/o Late Birendra Narain Sharma) Independent Director Address: 410-B, Road no. 5, Ashok Nagar, Ranchi 834 002, Jharkhand Occupation: Consultant Nationality: Indian Term: Liable to retire by rotation DIN: 00788601	62	<i>Other directorships</i> <ul style="list-style-type: none"> Aditya Birla Chemicals (India) Limited Burnpur Cement Limited Corporate Power Limited Rajeshwari Agro Industry Company Limited <i>Partnerships</i> <ul style="list-style-type: none"> P. P. Sharma & Associates <i>Trusts</i> <ul style="list-style-type: none"> B. N. S. Trust
K. B. Dubey (S/o Late S.N. Dubey) Independent Director Address: B-1/401, PWO Society, Sector-43, Gurgaon 112 202 Occupation: Consultant Nationality: Indian Term: Liable to retire by rotation DIN: 01213458	61	<i>Other directorships</i> <ul style="list-style-type: none"> Jas Infrastructure and Power Limited Rohan Automobiles Private Limited

None of our other Directors are related to each other, except as follows:

- (i) Manoj Jayaswal is the father of Abhishek Jayaswal and Abhijeet Jayaswal;
- (ii) Abhishek Jayaswal is the son of Manoj Jayaswal and the brother of Abhijeet Jayaswal; and
- (iii) Abhijeet Jayaswal is the son of Manoj Jayaswal and the brother of Abhishek Jayaswal.

Brief Biographies

Manoj Jayaswal

Manoj Jayaswal is the Chairman (whole time director) of our Company. He holds a bachelor's degree in Commerce from the University of Calcutta. He has more than 30 years of experience in the iron and steel sector as well as 12 years of experience in the infrastructure sector. Prior to joining our Company, he was the chairman and managing

director of Corporate Ispat from 2002 until 2010.

Abhishek Jayaswal

Abhishek Jayaswal is the Managing Director of our Company. He holds a master's degree in business administration from the University of Sheffield. He oversees the heads of individual business verticals and certain corporate matters relating to legal, financial and commercial matters. He has more than 10 years of experience in execution of projects. Prior to joining our Company, he has also worked as the managing director of Corporate Ispat and AMNEPL.

Abhijeet Jayaswal

Abhijeet Jayaswal is a Non-Executive Director of our Company. He holds a bachelor's degree in commerce from Pune University. Abhijeet Jayaswal is responsible for monitoring project implementation and plays an active role in implementation of the projects undertaken by our Subsidiaries and Joint Ventures. He has more than six years of experience in contract mining and scarce resource location. He is responsible for alliances in India and overseas.

K. Ravi Kumar

K. Ravi Kumar is a Non-Executive Director of our Company. He is also the managing director of JIPL. He holds a bachelor's degree in electrical engineering from University of Madras, master's degree from Indian Institute of Technology, Madras and a post graduate degree in business administration from Annamalai University, Tamil Nadu. Prior to joining our Company, he was the chairman and managing director of Bharat Heavy Electricals Limited. He has over 35 years of experience in engineering of control equipments products, construction and project management of thermal, nuclear and industrial sets in power sector, supercritical thermal technology and gas based power plants using advanced class gas turbines. He has been conferred with the 'Enertia Individual Contribution Award in thermal power sector' by Enertia (a journal on sustainable energy and power) in 2008 and the 'distinguished alumnus award' by the Indian Institute of Technology, Madras in 2009.

T. S. Bhattacharya

T. S. Bhattacharya is an Independent Director of our Company. He holds a diploma in management studies from the University of Mumbai and a master's degree in science (Physics) from Jadavpur University, Kolkata. He has held various positions in the State Bank of India and retired as the Managing Director of State Bank of India in 2008.

M. L. Bhakta

M. L. Bhakta is an Independent Director of our Company. He holds a bachelor's degree in law from Government Law College, Mumbai and stood first in the solicitor's exam conducted by the Bombay High Court. He is a senior partner in Kanga & Company, Advocates and Solicitors, specialising in corporate laws. He has acted as president of the Association of Hospitals, Mumbai and chairman of the board of trustees and board of management of Bhatia General Hospital for over 12 years. He has also acted as the chairman of the taxation laws standing committee of Lawasia, an association of lawyers of Asia and Pacific regions. He was the joint secretary of Income Tax Appellate Tribunal Bar Association for over 15 years and was one of its vice presidents for over five years. He has been named as one of the leading lawyers of Asia by Asia Law Journal, Hong Kong from 2006 to 2010 and as one of India's top 50 independent directors in a survey undertaken by the Capital Markets Magazine in 2003.

P. P. Sharma

P. P. Sharma is an Independent Director of our Company. He holds a bachelor's degree (honours) in Economics from St. Stephen's College, Delhi University, a bachelor's degree in law from Magadh University, Bihar, a master's degree in Economics from Delhi School of Economics, Delhi University and a certificate in Spanish from the Department of Modern European Languages, Delhi University. He joined the Indian Administrative Services in 1971 and has served in various posts thereafter, including as Secretary to Government of Bihar and the Chief Secretary to the Government of Jharkhand prior to his retirement in 2008.

K. B. Dubey

K. B. Dubey is an Independent Director of our Company. He holds a bachelor's degree in mechanical engineering. He has worked with BHEL and NTPC for more than 37 years. He was a member of the board of directors of NTPC as Director (Projects). He is internationally certified Project Director of IPMA Level A. He is a member of the Panel of Arbitrators of Singapore International Arbitration Centre and SCOPE.

None of our Directors is or was a director of any listed companies during the last five years preceding the date of filing of this Draft Red Herring Prospectus and until date, whose shares have been or were suspended from being traded on BSE or NSE, during the term of their directorship in such companies.

Except as stated below, none of our Directors is or was a director of any listed companies which have been or were delisted from any stock exchange during the term of their directorship in such companies. The following table sets forth the details of listed companies which have been or were delisted from the stock exchange(s), in which one of our Directors, M. L. Bhakta, was a director:

Sr. No.	Particulars	Details
1.	Name of the company	Micro Inks Limited
2.	Names of the stock exchanges(s) on which the company was listed	BSE and NSE
3.	Date of delisting on the stock exchange(s)	April 13, 2010
4.	Whether the delisting was compulsory or voluntary	It was voluntary delisting
5.	Reasons for the delisting	The company was voluntarily delisted
6.	Whether the company has been relisted	The company has not been relisted
7.	Term (along with relevant dates) of the director on the above mentioned company	M. L. Bhakta was appointed on June 27, 2000 and his term provided for retirement by rotation.

Terms of Appointment of the Executive Directors

Service agreement with the Managing Director

Pursuant to Board and shareholders' resolutions dated September 30, 2010, Abhishek Jayaswal has been appointed as the Managing Director of our Company for a period of five years with effect from October 1, 2010.

Our Company has entered into an agreement dated September 30, 2010 (the "MD Agreement") with Abhishek Jayaswal for his appointment as the Managing Director of the Company, for a period of five years. The following are the terms of appointment of Abhishek Jayaswal as the Managing Director:

Salary	₹ 0.92 million per month
Perquisites	(a) Health insurance coverage for him and his family not exceeding ₹ 0.10 million per annum; (b) Fees of maximum two clubs excluding admission and life membership fees; (c) Personal accident insurance such that the annual premium on the policy in a financial year does not exceed ₹ 1.00 million; (d) 30 days of annual leave with pay for every completed year of service; (e) Provident fund and superannuation benefits as per the rules of the Company; (f) Transportation facility as per the rules of the Company; (g) Telecommunication facilities as per the rules of the Company; (h) Residential accommodation as per the rules of the Company; and (i) Reimbursement of entertainment and travel expenses.

The MD Agreement, *inter alia*, provides that the Managing Director will exercise and perform the powers and duties as determined by the Board subject to any restrictions and directions issued by the Board and the Managing Director has the power to appoint and dismiss employees and enter into contracts on behalf of the Company in the ordinary course of business. However, nothing will be done by the Managing Director which by the Companies Act or the Articles of Association shall be transacted at a meeting of the Board by resolution or which shall not be effective unless approved by the Board or which are not expressly provided. The MD Agreement also provides certain powers exercisable by the Managing Director including *inter alia* (a) that with the approval of the Board, the Managing Director is, together with the person authorised by the Board, entitled to open or operate banking or other accounts, (b) to borrow moneys, with or without security, subject to the approval of the members of the Company, (c) invest funds of the Company, (d) enter into contracts for the purchase of goods and services subject to the prior approval of the Board, when necessary.

Abhishek Jayaswal is entitled to engage in the business of other Group Companies during the term of his employment provided that his term of appointment and other conditions are not in conflict with applicable laws and are not detrimental to his role as a Managing Director of our Company. Either the Company or Abhishek Jayaswal can terminate the MD Agreement by giving a prior notice of three months provided that the Company could waive the notice by giving remuneration for three months.

Service Agreement with Manoj Jayaswal

Pursuant to Board and shareholders' resolutions dated November 3, 2010 and November 25, 2010 respectively Manoj Jayaswal has been appointed as a whole time Director of our Company for a period of five years with effect from November 3, 2010.

Our Company has entered into an agreement dated November 3, 2010 (the "Agreement") with Manoj Jayaswal for his appointment as a whole time Director of the Company, for a period of five years. The following are the terms of appointment of Manoj Jayaswal as an Executive Director of our Company:

Salary	₹ 0.99 million per month
Perquisites	<ul style="list-style-type: none"> (i) Health insurance coverage for him and his family not exceeding ₹ 0.10 million per annum; (ii) Fees of maximum two clubs excluding admission and life membership fees; (iii) Personal accident insurance such that the annual premium on the policy in a financial year does not exceed ₹ 1.00 million; (iv) 30 days of annual leave with pay for every completed year of service; (v) Provident fund and superannuation benefits as per the rules of the Company; (vi) Transportation facility as per the rules of the Company; (vii) Telecommunication facilities as per the rules of the Company; (viii) Residential accommodation as per the rules of the Company; and (ix) Reimbursement of entertainment and travel expenses.

The Agreement, *inter alia*, provides that Manoj Jayaswal will exercise and perform the powers and duties as determined by the Board subject to any restrictions and directions issued by the Board and Manoj Jayaswal has the power to appoint and dismiss employees and enter into contracts on behalf of the Company in the ordinary course of business. However, nothing will be done by Manoj Jayaswal which by the Companies Act or the Articles of Association shall be transacted at a meeting of the Board by resolution or which shall not be effective unless approved by the Board or which are not expressly provided. The Agreement also provides certain powers exercisable by Manoj Jayaswal including *inter alia* (a) that with the approval of the Board, Manoj Jayaswal is, together with the person authorised by the Board, entitled to open or operate banking or other accounts, (b) to borrow moneys, with or without security, subject to the approval of the members of the Company, (c) invest funds of the Company, (d) enter into contracts for the purchase of goods and services subject to the prior approval of the Board, when necessary, (e) to increase the salary or remuneration of any employee and to sanction annual increases, (f) to ensure that all taxes due to the Central Government, State Government and municipal authorities are paid promptly.

Manoj Jayaswal is entitled to engage in the business of other Group Companies during the term of his employment provided that his term of appointment and other conditions are not in conflict with applicable laws and are not detrimental to his role as a whole time Director of our Company. Either the Company or Manoj Jayaswal can terminate the Agreement by giving a prior notice of three months provided that the Company could waive the notice by giving remuneration for three months.

Payment or benefit to Directors of our Company

No sitting fees or remuneration have been paid to any of our Directors in Fiscal 2010.

1. Remuneration to Executive Directors:

No remuneration has been paid to our Executive Directors 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 our Company's officers including our 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 our Company. Further, except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors and our key management personnel, are entitled to any benefits upon termination of employment. Our Company has made two applications for obtaining approval of the Central Government payment of remuneration to Manoj Jayaswal and Abhishek Jayaswal in excess of the limit prescribed under the Companies Act.

No loans have been availed by our Directors or the key management personnel from our Company.

Shareholding of Directors

The shareholding of our Directors as of the date of this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares held
Manoj Jayaswal	105,400
Abhishek Jayaswal	132,900
Abhijeet Jayaswal	179,600
K. Ravi Kumar	-
M. L. Bhakta	-
P. P. Sharma	-
K. B. Dubey	-
T. S. Bhattacharya	-

Our Articles of Association do not require our Directors to hold any qualification shares.

Borrowing Powers of Board

Our Company, pursuant to an EGM held on October 13, 2010 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 our Company, notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by our Company and outstanding (apart from the temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of our 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 ₹ 100,000 million.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We believe we are in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and Listing Agreement with Stock Exchanges. Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently our Board has eight Directors and our Chairman is an Executive Director. In compliance with the requirements of Clause 49 of the Listing Agreement, we have two Executive Directors and six Non-Executive Directors, including four independent Directors, on our Board.

Committees of the Board

Audit Committee

The members of the Audit Committee are:

1. T. S. Bhattacharya (*Chairman*);
2. M. L. Bhakta;
3. K. B. Dubey; and
4. Abhishek Jayaswal.

The Audit Committee was constituted by a meeting of our Board held on November 25, 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:

- (a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) Review and recommend the revenue budgets and capital budgets;
- (c) Recommending to the Board, the appointment/re-appointment of the statutory auditors, cost auditor and the fixation of audit fees;
- (d) 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;
- (e) Reviewing the efficiency and effectiveness of internal audit function, adequacy of the internal control systems;
- (f) Reviewing reports of internal audit, including that of wholly owned subsidiaries, and discussion with internal auditors on any significant findings and follow-up thereon;
- (g) Reviewing the findings of any internal investigations by the internal auditors and the executive management's response on matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- (h) Reviewing, with the management, the annual financial statements i.e. directors responsibility statement under section 217(2AA) of the Companies Act, 1956, accounting policies and practices, compliances with listing and other legal requirements, disclosure of related party transactions, implementation of the

accounting standards as notified under section 211(3C) of the Companies Act, 1956 and draft audit report before submission to the Board for approval;

- (i) Reviewing, with the management, the quarterly, half-yearly and annual financial statements/results before submission to the Board;
- (j) To look into the reasons for any default/delay, if any, in the payment to the lenders/bankers/financial institutions, debenture holder, creditors and shareholders (in case of dividend declaration);
- (k) Approval of appointment of chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (l) Reviewing the Company's financial and risk management policies;
- (m) Considering such other matters as may be required by the Board; and
- (n) Reviewing any other areas which may be specified as role of the Audit Committee under the Listing Agreement, Companies Act and other statutes, as amended from time to time.

The powers of the audit committee shall include the power to:

- (a) To investigate any activity within its reference;
- (b) To seek information from any employee;
- (c) To obtain outside legal or other professional advice; and
- (d) To secure attendance of outsiders with relevant expertise, if considered necessary.

The Audit Committee is required to meet at least four times in a year under Clause 49 of the Listing Agreement.

Remuneration Committee

The members of the Remuneration Committee are:

- 1. K. B. Dubey;
- 2. P. P. Sharma; and
- 3. K. Ravi Kumar.

The Remuneration Committee was constituted by a meeting of our Board held on November 25, 2010. The terms of reference of the Remuneration Committee include the following:

- (a) framing the overall policy for executive and senior management pertaining to remuneration, including salary, incentives, commission, benefits, bonus, stock options, pension rights and compensation payment;
- (b) recommending to the Board the compensation terms of Executive Directors and the senior most level of management immediately below the Executive Directors. The committee will review recommendations made to it by our Company and others and the remuneration will be determined keeping in view the industry benchmark, the relative performance of our Company to the industry performance, macro economic situation and review of remuneration packages of managerial personnel of other organisations;
- (c) supervising and administer any share or stock option scheme of our Company; and
- (d) The remuneration committee is authorised to:

- (i) investigate any activity within its terms of reference;
- (ii) seek any information from any employee of the company. Employees are directed to cooperate with any relevant request made;
- (iii) obtain outside legal or independent professional advice. Such advisors may attend meetings as necessary; and
- (iv) incur such reasonable expenditure, as it deems necessary.

Share Transfer and Investors' Grievance Committee

The members of the Share Transfer and Investors' Grievance Committee are:

- 1. M. L. Bhakta;
- 2. K. Ravi Kumar; and
- 3. K. B. Dubey.

The Share Transfer and Investors' Grievance Committee was constituted by our Board at their meeting held on November 25, 2010 and reconstituted on March 16, 2011. This Committee is responsible to supervise and ensure efficient transfer of shares and for the redressal of shareholder grievances. The Share Transfer and Investors' Grievance Committee shall have the power to approve the transfer, transmission and rematerialisation of the Equity Shares of our Company. The terms of reference of the Share Transfer and Investors' Grievance Committee of our Company include the following:

- (a) approving transfer of shares / debentures, including review of cases for refusal of transfer transmission of shares and debentures;
- (b) taking cognizance of non receipt of annual report and balance sheet by any member of our Company;
- (c) investigating non receipt of interest / dividend payments and ensure its timely payments;
- (d) issue/non receipt of duplicate / split / consolidated share certificates;
- (e) transfer and transmission (with or without legal representation) of shares / debentures;
- (f) ensuring timely allotment and listing of shares;
- (g) investigating into any other grievances of the shareholder of our Company;
- (h) overseeing the performance of the registrar and transfer agent of our Company and recommending measures for overall improvement in the quality of investor services;
- (i) monitoring the implementation and compliance of our Company's code of conduct for prohibition of insider trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992; and
- (j) reference to statutory and regulatory authorities regarding investor grievances, and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

Interest of Directors

Our Directors may be deemed to be interested to the extent of any fees and remuneration payable to them by our Company 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 our Company or our Promoters. Further, our Managing Director may also be deemed to be interested to the extent of remuneration payable to his

wife, Sonal Jayaswal, who is an employee of CPL. Additionally, Growth Infinite, a partnership firm forming part of our Promoter Group has entered into leave and license arrangements with our Group Companies, our Subsidiaries and Joint Ventures.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to them under the Issue including under the Employee Reservation Portion or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our 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.

Our Directors have no interest in any property acquired by our Company within the preceding two years from the date of this Draft Red Herring Prospectus.

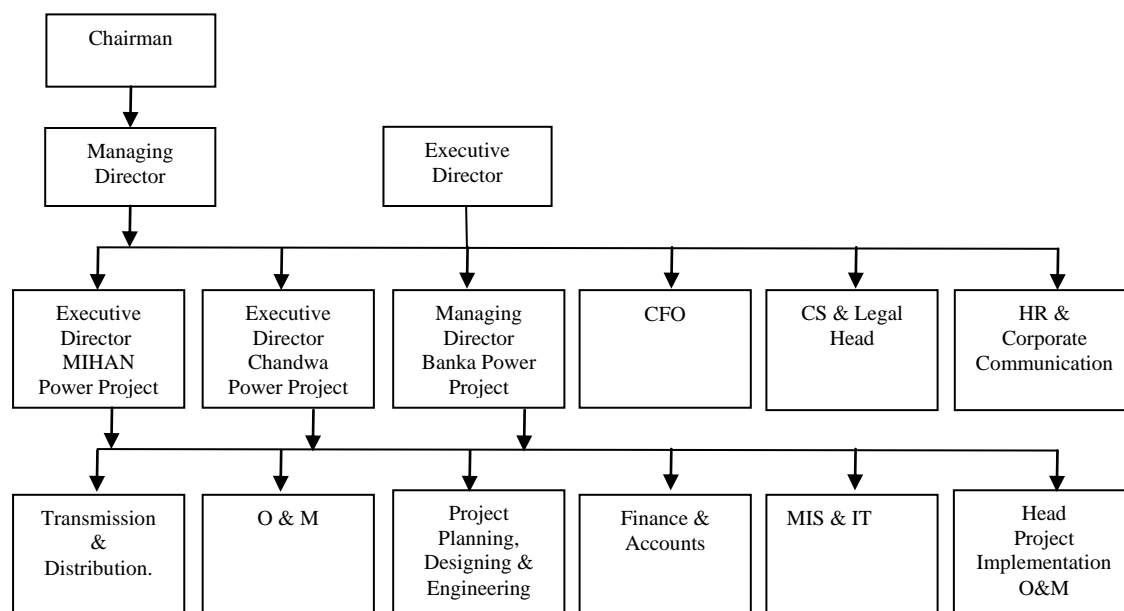
Except as stated in “Related Party Transactions” on page 288 and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

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.

Changes in the Board in the last three years

Name	Date of Appointment/ Change/ Cessation	Reason
Anand Jayaswal	April 1, 2009	Resignation
Abhijeet Jayaswal	September 10, 2010	Appointment
Abhishek Jayaswal	September 30, 2010	Appointment as Managing Director
K. Ravi Kumar	October 15, 2010	Appointment
M. L. Bhakta	November 3, 2010	Appointment
Manoj Jayaswal	November 3, 2010	Appointment as whole time Director
P. P. Sharma	November 3, 2010	Appointment
T. S. Bhattacharya	November 25, 2010	Appointment
K. B. Dubey	November 25, 2010	Appointment

Management Organisation Chart



Key Management Personnel

Provided below are the details of our key management personnel, as of the date of this Draft Red Herring Prospectus. None of our key management personnel are related to each other.

Key management personnel employed with our Company

Rajesh Tulsiani, aged 41, is the chief financial officer of our Company. He holds a bachelor's degree in science from St. Xavier's College, Ahmedabad and a master's in business administration (finance) from B. K. School of Management, Ahmedabad. He has approximately 18 years of experience in venture capital finance, raising equity capital by way of private equity and capital markets, corporate finance activities, mergers and business hive-offs. He joined our Company on August 1, 2010. Prior to joining our Company, he has worked with CPL as vice president. During Fiscal 2011, he was paid a gross remuneration of ₹ 3.44 million from CPL and our Company.

Sanjay Dey, aged 37, is the Company Secretary and Compliance Office of our Company. He holds a bachelor's degree in commerce from Burdwan University and qualified as a company secretary from the Institute of Company Secretaries of India, New Delhi. He has more than 10 years of experience in secretarial functions and matters related to the Companies Act, accounts and taxation and matters related to investments, restructuring and mergers and acquisitions. He joined our Company on October 15, 2010. Prior to joining our Company, he worked with Corporate Ispat as company secretary. During Fiscal 2011, he was paid a gross remuneration of ₹ 2.14 million from CIAL and our Company.

Milind Bodhankar, aged 46, is the general manager (accounts) of our Company. He holds a bachelor's degree in commerce from Nagpur University and is a qualified chartered accountant. He has more than 15 years work experience in preparation of accounts, SAP accounting, consolidation and taxation. He joined our Company on October 1, 2010. Prior to joining our Company, he has worked with Corporate Ispat as general manager (accounts). During Fiscal 2011, he was paid a gross remuneration of ₹ 1.60 million from CIAL and our Company.

Key management personnel employed with AMNEPL

Sudhir Gupta, aged 45, is the director (projects) of AMNEPL. He is a civil engineer and has obtained his degree from Institution of Engineer's, Kolkata. He has more than 23 years of experience in planning and execution of

infrastructure projects in power, road, airport and refineries sectors. He joined AMNEPL on July 1, 2010. Prior to joining AMNEPL, he has worked with Jas Toll Road Company Limited as the chief executive officer. During Fiscal 2011, he was paid him a gross remuneration of ₹ 3.36 million from JTRCL and AMNEPL.

Key management personnel employed with JIPL

K. Ravi Kumar is the Managing Director of JIPL. He is also a Director of our Company. For further details of K. Ravi Kumar, please see “Our Management” on page 228. During Fiscal 2011, he was paid a gross compensation remuneration of ₹ 3.00 million from JIPL.

Maman Kumar Singh, aged 49, is the assistant vice president (projects) of JIPL. He holds a bachelor’s degree in technology (civil engineering) from the Birla Institute of Technology Mesra, Ranchi. He has more than 25 years of experience in construction of industrial projects, power plants, steel plants, chemical plants roads and bridges. He joined JIPL on November 1, 2010. Prior to joining JIPL, he has worked with CPL as assistant vice president. During Fiscal 2011, he was paid a gross remuneration of ₹ 2.32 million from CPL and JIPL.

Devdas Prabhu, aged 43, is the vice president (finance) of JIPL. He holds a bachelor’s degree in engineering (mechanical) from Visvesaraya Regional College of Engineering, University of Nagpur and a master’s degree in financial management from Narsee Monjee Institute of Management Studies, University of Mumbai. He has more than 19 years of experience in areas of project finance including funding for acquisition. He joined JIPL on November 1, 2010. Prior to joining JIPL, he has worked with CPL as vice president (finance). During Fiscal 2011, he was paid a gross remuneration of ₹ 2.57 million from CPL and JIPL.

Key management personnel employed with CPL

Arun Kumar Srivastava, aged 66, is a whole time director of CPL. He holds a bachelor’s degree (honours) in mechanical engineering from Jabalpur University, a bachelor’s degree in law (labour law) from Indore University and a master’s degree in public administration and economics from Nagpur University. He has more than 42 years of experience in the coal industry including in matters related to mining, design and construction of large coal handling plants, planning, exploration, construction, and operations of mines. He joined CPL as an additional director on October 14, 2010 and was appointed as a whole time director on November 18, 2010. Prior to joining CPL, he has worked with in AINL as chief executive officer. During Fiscal 2011, he was paid a gross remuneration of ₹ 1.84 million from AINL and CPL.

Arun Gupta, aged 40, is an executive director (projects) of CPL. He holds a bachelor’s degree in technology (mechanical engineering) from the Nagpur University. He has more than 19 years of experience in execution of projects in the power and steel sector. He joined CPL on August 1, 2006. Prior to joining CPL, he has worked with Jindal Power Limited as a chief construction manager. During Fiscal 2011, he was paid a gross remuneration of ₹ 7.01 million.

Rajeev Goyal, aged 41, is the vice president (projects) of CPL. He holds a bachelor’s degree in engineering (mechanical engineering) from Thapar University, Patiala and qualified as a boiler operating engineer from the Chief Inspector of Boiler, Chattisgarh. He has more than 18 years of experience in matters related to the construction of power projects. He joined CPL on June 3, 2006. Prior to joining CPL, he has worked with Jindal Power Limited as deputy general manager (mechanical). During Fiscal 2011, he was paid a gross compensation of ₹ 2.43 million.

Sanjay Jain, aged 44, is the vice president, corporate (human resources) of CPL. He holds a bachelor’s degree in technology (chemical engineering) from Harcourt Butler Technological Institute, Kanpur, a master’s degree in business administration from Indira Gandhi National Open University (IGNOU), New Delhi and a master’s degree in technology (industrial engineering) from National Productivity Council, New Delhi. He has more than 21 years of experience in talent induction, culture building and process development. He joined CPL on November 1, 2010. Prior to joining CPL, he has worked with Corporate Ispat as vice president (human resources). During Fiscal 2011, he was paid a gross remuneration of ₹ 2.31 million from CIAL and CPL.

Daidipya Kanhere, aged 35, is the vice president (finance) of CPL. He is a chartered accountant. He has more than 11 years of experience in the areas of project finance, bid strategy, accounts and corporate restructuring. He joined CPL on February 2, 2010. Prior to joining CPL, he has worked with Jayaswal Ashoka Infrastructure Private Limited as the assistant general manager. During Fiscal 2011, he was paid a gross remuneration of ₹ 1.88 million.

Shareholding of key management personnel

None of our key management personnel hold any Equity Shares in our Company.

Bonus or profit sharing plan of the key management personnel

Our key management personnel are paid performance incentive pay based on certain performance parameters of such key management personnel and our Company.

Interests of key management personnel

The key management personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business. The key management personnel may be regarded as interested in the Equity Shares that may be subscribed by or allotted to them under the Issue including under the Employee Reservation Portion, 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 distributors in respect of the said Equity Shares.

None of the key management personnel have been paid any consideration or benefit of any nature from our Company, other than their 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
Daidipya Kanhere	February 2, 2010	Appointment
Sudhir Gupta	July 1, 2010	Appointment
Rajesh Tulsiani	August 1, 2010	Appointment
Arun Kumar Srivastava	October 24, 2010	Appointment
Milind Bodhankar	October 1, 2010	Appointment
Sanjay Dey	October 15, 2010	Appointment
K. Ravi Kumar	October 15, 2010	Appointment
Devdas Prabhu	November 1, 2010	Appointment
Maman Kumar Singh	November 1, 2010	Appointment
Sanjay Jain	November 1, 2010	Appointment

Employee Stock Options Scheme

Our Company does not have any employee stock option scheme.

Payment or Benefit to officers of our Company

No non-salary related amount or benefit has been paid or given within two years, or intended to be paid or given, to any officer of our Company (including our Directors and key management personnel).

OUR SUBSIDIARIES AND JOINT VENTURES

Our Company has two Subsidiaries, namely AMNEPL and JIPL. Our Company, through JIPL, has a joint venture company, namely MCCPL. Further, CPL is a joint venture of our Company and Corporate Ispat.

Neither of AMNEPL, JIPL, CPL nor MCCPL has made any public or rights issue in the last three years, have not become sick companies under the meaning of SICA and are not under winding up. Other than as disclosed in the section “Our Promoter and Promoter Group”, our Promoters have not disassociated themselves from any companies or firms during the preceding three years.

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

Interest of the Subsidiaries in our Company

None of our Subsidiaries hold any Equity Shares in our Company. We have entered into certain business contracts with our Subsidiaries. For details, please see “Related Party Transactions” on page 288.

I. Subsidiaries

1. AMNEPL

Corporate Information

AMNEPL was incorporated on July 12, 2007 under the Companies Act in Maharashtra. The registered office of AMNEPL is situated at 39, Ambazari Layout, Nagpur 440 010. AMNEPL is currently involved in setting up the MIHAN Power Project and associated transmission infrastructure for transmission of power from the MIHAN Power Project to the MIHAN SEZ, including operation and maintenance of the said facility, once operational. The MIHAN Power Project has commenced limited operations. For further details, please see “Our Business” on page 125.

Board of Directors

The board of directors of AMNEPL comprises of:

- (i) Manoj Jayaswal;
- (ii) Abhishek Jayaswal;
- (iii) Sudhir Kumar Gupta; and
- (iv) S.V. Chahande (nominee of MADC).

Capital Structure

	No. of shares of ₹ 10 each
Authorised equity share capital	115,000,000
Issued, subscribed and paid-up equity share capital	115,000,000
Authorised preference share capital	10,000,000
Issued, subscribed and paid-up preference share capital	-

Shareholding Pattern

The shareholding pattern of AMNEPL is as follows:

Sr. No.	Name of the Shareholder	No. of equity shares	Percentage of total equity holding (%)
1.	Abhijeet Infrastructure Limited jointly with Abhijeet Power Limited	58,650,000 ¹	51.00
2.	Maharashtra Airport Development Company	29,900,000	26.00

Sr. No.	Name of the Shareholder	No. of equity shares	Percentage of total equity holding (%)
	Limited		
3.	Abhijeet Power Limited	26,449,600	23.00
4.	Manoj Jayaswal	100	00.00
5.	Abhishek Jayaswal	100	00.00
6.	Swati Jayaswal	100	00.00
7.	Abhijeet Jayaswal	100	00.00
	Total	115,000,000	100.00

¹ The beneficial interest in these equity shares is held by the Company.

Amount of accumulated profits or losses of AMNEPL not accounted for by our Company: Nil. AMNEPL is in project implementation phase, and no profit and loss account for AMNEPL has been drawn up since incorporation.

2. **JIPL**

Corporate Information

JIPL was incorporated on July 16, 2002 under the Companies Act in Maharashtra as Jas Infrastructure Capital Private Limited. The name of the company was changed to Jas Infrastructure Capital Limited on October 22, 2010 upon conversion into a public limited company and subsequently to Jas Infrastructure and Power Limited on October 23, 2010. The registered office of JIPL was shifted from 39, Ambazari Layout, Nagpur 440 010 to Insignia Tower, EN1, 3rd Floor, Sector V, Salt Lake, Kolkata 700 091 pursuant to an order of the Company Law Board dated October 25, 2010. JIPL is currently involved in setting up the Banka Power Project in Bihar.

JIPL, has entered into a development agreement dated December 3, 2007 with West Bengal Industrial Development Corporation Limited (“WBIDCL”), West Bengal Mineral Development and Trading Corporation Limited (“WBMDTCL”) and Abhijeet Infrastructure Limited (“AIL”) whereby WBIDCL, WBMDTCL and AIL have agreed to assist JIPL in establishing an integrated iron and steel plant with a capacity of two million tonnes/year and a 850 MW captive power plant and related facilities (collectively the “Said Project”) in a phased manner. However, the parties have not complied with the provisions of this development agreement, and by a letter dated December 27, 2010, JIPL has applied to the WBIDCL to transfer the Said Project to Titan Minerals and Steel Limited, our Group Company.

Board of Directors

The board of directors of JIPL comprises of:

- (i) Manoj Jayaswal;
- (ii) Abhishek Jayaswal;
- (iii) K. Ravi Kumar;
- (iv) Maman Kumar Singh;
- (v) P. N. Krishnan; and
- (vi) K. B. Dubey.

Capital Structure

	No. of equity shares of ₹ 10 each
Authorised capital	3,500,000
Issued, subscribed and paid-up capital	3,479,470

Shareholding Pattern

The shareholding pattern of JIPL is as follows:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of total equity holding (%)
1.	Abhijeet Power Limited	3,284,460	94.40
2.	Devendra Vijay Darda	72,821	2.09
3.	Vijay Jawaharlal Darda	72,819	2.09
4.	Abhishek Jayaswal	26,000	0.75
5.	Manoj Jayaswal	13,370	0.38
6.	Abhijeet Jayaswal	5,000	0.14
7.	Manisha Jayaswal	5,000	0.14
	Total	3,479,470	100.00

Amount of accumulated profits or losses of JIPL not accounted for by our Company

Nil

II. Joint Venture Companies

1. MCCPL

Corporate Information

MCCPL was incorporated on March 17, 2008 under the Companies Act, in Jharkhand. The registered office of MCCPL is situated at Vidyakamal Niketan, B/324, Road No. 4, Ashok Nagar, Ranchi, Jharkhand 834 002. MCCPL is currently involved in prospecting operations relating to the mining of coal, and has been formed pursuant to joint allocation of a coal block to JIPL and CESC Limited. MCCPL is a joint venture between JIPL and CESC Limited pursuant to the joint venture agreement dated December 4, 2007. For further details, please see “Description of Certain Key Contracts” on page 151.

Board of Directors

The board of directors of MCCPL comprises of:

- (i) Rajendra Jha;
- (ii) Sumantra Banerjee;
- (iii) Abhijeet Jayaswal; and
- (iv) Arun Kumar Srivastava.

Capital Structure

	No. of equity shares of ₹ 10 each
Authorised capital	10,000,000
Issued, subscribed and paid-up capital	10,000

Shareholding Pattern

The shareholding pattern of MCCPL is as follows:

Sr. No.	Name of the Shareholder	No. of equity shares	Percentage of total equity holding (%)
1.	JIPL	5,000	50.00
2.	CESC Limited	5,000	50.00
	Total	10,000	100.00

2. CPL

CPL is a joint venture of our Company with Corporate Ispat, in which our Company holds 48.99% of the equity share capital in CPL. For further details, please see “Description of Certain Key Contracts” on page 151.

Corporate Information

CPL was incorporated on May 11, 2006 under the Companies Act, in Maharashtra as Chitrapur Coal and Power Limited, and its name was changed to Corporate Power Limited on May 31, 2007. The registered office of CPL is situated at EN1, 3rd Floor, Sector V, Insignia Towers, Salt Lake, Kolkata 700 091. CPL is currently setting up the Chandwa Power Project in the Latehar district of Jharkhand.

Board of Directors

The board of directors of CPL comprises of:

- (i) Manoj Jayaswal;
- (ii) Abhishek Jayaswal;
- (iii) P. N. Krishnan;
- (iv) Abhijeet Jayaswal;
- (v) Rajeev Goyal;
- (vi) P. P. Sharma;
- (vii) S.N. Gaikwad (Nominee director of Rural Electrification Corporation); and
- (viii) Arun Kumar Srivastava
- (ix) Arun Gupta

Capital Structure

	No. of equity shares of ₹ 10 each
Authorised capital	3,000,000,000
Issued, subscribed and paid-up capital	392,467,300

Shareholding Pattern

The shareholding pattern of CPL is as follows:

Sr. No.	Name of the Shareholder	No. of equity shares	Percentage of total equity holding (%)
1.	Corporate Ispat Alloys Limited	200,158,323	51.01
2.	Abhijeet Power Limited	192,306,977	48.99
3.	Manoj Jayaswal	500	0.00
4.	Abhishek Jayaswal	500	0.00
5.	Abhijeet Jayaswal	500	0.00
6.	Sonal Jayaswal	400	0.00
7.	Swati Jayaswal	100	0.00
	Total	392,467,300	100.00

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are:

1. Manoj Jayaswal;
2. Abhijeet Mining Limited; and
3. Corporate Ispat Alloys Limited.

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

Promoter who is an individual:

Manoj Jayaswal



Manoj Jayaswal, aged 56 years, is the Chairman of our Company. For further details, please see “Our Management” on page 228.

His voter identification no. is UOA1402643. His driving license no. is M/18398/R.

We confirm that the permanent account number, bank account number and passport number of Manoj Jayaswal shall be submitted to NSE and BSE at the time of filing of the Draft Red Herring Prospectus.

Promoters who are corporate entities

(a) AML

AML was incorporated on February 5, 2008, under the Companies Act and received its certificate of commencement of business on September 8, 2008. The registered office of AML is situated at EN1, 3rd Floor, Insignia Towers, Sector V, Salt Lake, Kolkata 700 091.

Principal Business

AML, in accordance with its objects is entitled to carry on the business of mining, exploring, extracting, processing, enriching, recovering selling and distributing, mines of any description, including but not limited to coal, coke and fuel.

Promoters of AML

Abhijeet Ventures Limited (“AVL”) and Manoj Jayaswal are the promoters of AML. The natural person in control of Abhijeet Ventures Limited is Manoj Jayaswal.

AVL was incorporated on September 22, 2005, under the Companies Act. The board of directors of AVL comprises of:

- (a) Manoj Jayaswal;
- (b) Abhishek Jayaswal; and
- (c) Abhijeet Jayaswal.

For further details in relation to AVL, please see “Our Group Companies” on page 254.

Shareholding Pattern

The shareholding pattern of AML is as follows:

Sr. No.	Name of the Shareholder	Number of Shares held	Percentage of Shareholding
1.	Abhijeet Ventures Limited	147,260,642	95.00
2.	Great Lairly Holdings Limited	7,683,597	4.96
3.	Abhishek Jayaswal	23,333	0.02
4.	Manoj Jayaswal	17,000	0.01
5.	Abhijeet Jayaswal	11,333	0.01
6.	Manisha Jayaswal	5,100	0.00
7.	Sonal Jayaswal	5,100	0.00
8.	Swati Jayaswal	5,100	0.00
9.	P. N. Krishnan	1,500	0.00
	Total	155,012,705	100.00

There has been a change in the control or the management of AML in the three years preceding the date of filing of this Draft Red Herring Prospectus. For details, please see “History and Certain Corporate Matters” and “Promoters and Promoter Group – Companies with which the Promoters have disassociated in the last three years” on pages 223 and 249 respectively.

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the registrar of companies where AML is registered shall be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

(b) Corporate Ispat

Corporate Information

Corporate Ispat was incorporated on February 26, 1988 under the Companies Act as Corporate Ispat Alloys Private Limited. The name of the company was changed to Corporate Ispat Alloys Limited on February 18, 1993 upon conversion into a public limited company. The registered office of Corporate Ispat is situated at Insignia Tower, EN1, 3rd Floor, Sector V, Salt Lake City, Kolkata, West Bengal.

Principal Business and experience

Corporate Ispat is engaged in the business of manufacture and processing of steel products, ferro alloys, generation of power and mining of coal. Corporate Ispat currently operates a 25 MW power plant in West Bengal.

Promoters of Corporate Ispat

Manoj Jayaswal and Abhijeet Ventures Limited are the promoters of Corporate Ispat. The natural person in control of Abhijeet Ventures Limited is Manoj Jayaswal. For further details, please see “Our Promoters and Promoter Group - Promoters who are corporate entities – AML” above and “Our Group Companies – Details of other Group Companies” on pages 247 and 254 respectively.

Shareholding Pattern

The shareholding pattern of Corporate Ispat is as follows:

Sr. No.	Name of the Shareholder	Number of Shares held	Percentage of Shareholding
1.	Abhijeet Ventures Limited	10,412,392	51.39
2.	Manoj Jayaswal	4,681,050	23.10
3.	Abhishek Jayaswal	2,575,650	12.71
4.	Abhijeet Jayaswal	2,312,100	11.41
5.	Manisha Jayaswal	263,600	1.30

Sr. No.	Name of the Shareholder	Number of Shares held	Percentage of Shareholding
6.	Abhijeet Mining Limited	17,936	0.09
7.	Sonal Jayaswal	100	0.00
	Total	20,262,828	100.00

There has been a change in the control or the management of Corporate Ispat in the three years preceding the date of filing of this Draft Red Herring Prospectus. For details, please see “History and Certain Corporate Matters” and “Promoters and Promoter Group – Companies with which the Promoters have disassociated in the last three years” on pages 223 and 249 respectively.

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the registrar of companies where Corporate Ispat 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

Our Promoters are interested in the Company to the extent that they have promoted our Company and hold Equity Shares in our Company. For details on the shareholding of the Promoters in our Company, please see “Capital Structure” on page 70.

Our Company has provided a loan of ₹ 1,500 million to our joint venture, CPL and the majority shareholder of CPL is Corporate Ispat.

Except for Manoj Jayaswal, who is a director of AMNEPL, CPL and JIPL, Abhishek Jayaswal who is a director of AMNEPL, CPL and JIPL and Abhijeet Jayaswal who is director of CPL, none of the directors or employees of AML or Corporate Ispat, the corporate Promoters, are Directors or employees of our Company or its Subsidiaries or Joint Ventures.

Our 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 the Promoters are directly or indirectly interested and no payments have been made to the Promoters in respect of the contracts, agreements or arrangements which are proposed to be made with our Promoters including the properties purchased by our Company other than in the normal course of business.

Other than as disclosed in “Group Companies”, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

Payment of benefits to the Promoters

Except as stated in the section “Related Party Transactions” on page 288, there has been no payment of benefits to the Promoters during the two years preceding the filing of this Draft Red Herring Prospectus.

Companies with which the Promoters have disassociated in the last three years

Corporate Ispat and AML have not disassociated with any entity in the last three years.

The members of the BLS Family (comprising Basant Lall Shaw, Arbind Kumar Jayaswal, Manoj Jayaswal and Ramesh Kumar Jayaswal, and their respective spouses and children) executed an Indenture of Family Settlement (the “Indenture”), recording the division of the businesses of BLS Family between the Manoj Jayaswal Group on one hand and the other members of the BLS Family on the other hand. For further details on the Indenture see “History and Certain Corporate Matters” on page 223.

Accordingly, the ownership and control of the Company was transferred to our Promoter, Manoj Jayaswal, along with his spouse, his sons and their families. In addition, ownership and control of the following companies (together

with the Company, the “Abhijeet Group Companies”) was transferred to the Manoj Jayaswal Group:

1. Abhijeet Infra Private Limited (in the process of being dissolved pursuant to the Composite Scheme of Arrangement);
2. Abhijeet Infrastructure Limited;
3. Abhijeet MADC Nagpur Energy Private Limited;
4. Abhijeet Mining Limited;
5. AE Coal Technologies Private Limited;
6. Corporate Ispat Alloys Limited;
7. Corporate Power Limited;
8. Jas Infrastructure Capital Private Limited (since renamed Jas Infrastructure and Power Limited);
9. Jas Toll Road Company Limited; and
10. Jayaswals Ashoka Infrastructure Private Limited.

Other than the Abhijeet Group Companies, the ownership and control of companies of the BLS Family was transferred to the other members of the BLS Family and Manoj Jayaswal has disassociated from such companies.

The ownership and control of AMR Iron and Steel Private Limited continues to be jointly held by our Promoter, Manoj Jayaswal (along with certain family members) and other members of the BLS Family. There is outstanding litigation between these persons and our Promoters in relation to AMR Iron and Steel Private Limited. For details, see “Outstanding Litigation and Material Developments” on page 426.

Manoj Jayaswal does not, directly or indirectly, hold any shares in the companies transferred to the BLS Group.

Manoj Jayaswal has disassociated from the BLS Family, and in terms of such disassociation ceased to be in ownership and control of the following companies:

1. Aman Trade Com. Private Limited;
2. Amrita Vyapaar Private Limited;
3. Ashutosh Castings Limited;
4. Bhilai Iron Foundry Private Limited;
5. Central India Developers Limited;
6. Econo Valves Private Limited;
7. Ghanshyam Vyapaar Private Limited;
8. Grace Tie Up Private Limited;
9. Inertia Iron & Steel Industries Private Limited;
10. Jayaswal Holdings Private Limited;
11. Jayaswal Neco Industries Limited;
12. JLD Yavatmal Energy Limited;
13. Jyotikant Investments Private Limited;
14. Maa Usha Urja Limited;
15. Nabo Jagoran Trading Private Limited;
16. Nagpur Agro & Food Processors Limited;
17. Nagpur Fasteners Private Limited;
18. Nagpur Scrap Suppliers Private Limited;
19. Neco Castings Limited;
20. Neco Ceramics Limited;
21. Neco Holdings Private Limited;
22. Neco Industries Limited;
23. Neco Infotech Private Limited;
24. Neco Investments Private Limited;
25. Neco Leasing & Finance Co. Private Limited;
26. Neco Mercantile Private Limited;
27. Neco Scrap Suppliers Private Limited;
28. Neco Trading Co. Private Limited;
29. Neco Valves & Pumps Private Limited;

30. North Karanpura Coal Company Limited;
31. North Karanpura Power Company Limited;
32. NSSL Limited;
33. Paranjpe Minerals Private Limited;
34. Parivar Food Industries Private Limited;
35. Pecon Vinimay Private Limited;
36. Raigarh Energy Limited;
37. Ram Prakash Sales & Service Private Limited;
38. Samadhan Traders Private Limited;
39. Siltara Carriers Private Limited;
40. Siltara Energy Private Limited;
41. Steel Tube & Exports Private Limited; and
42. Vibrant Electronics Limited.

In furtherance of such disassociation, Manoj Jayaswal and his sons have resigned from the boards of directors of such of the companies where they were directors prior to the disassociation. Manoj Jayaswal has also transferred their entire shareholding in such of these companies where he or the other members of the Manoj Jayaswal Group held shares prior to the disassociation.

In addition to disassociation pursuant to the Indenture, our Promoters have disassociated with the following companies by sale of their shareholding in the respective companies:

Sr. No.	Name of the disassociated entity	Reasons for and circumstances leading to disassociation	Terms of disassociation
1.	Accord Tracon Limited	See Note	Sold for consideration of ₹ 121.79 million
2.	Rangbarshi Projects Limited	See Note	Sold for consideration of ₹ 100.63 million
3.	Ricon Infrastructures Limited	See Note	Sold for consideration of ₹ 90.71 million
4.	Saltlake Energy Limited	See Note	Sold for consideration of ₹ 85.34 million
5.	Turnkey Infrastructures Limited	Business and Commercial reasons	Sold for consideration of ₹ 136.49 million
6.	JLD Cement Limited	Business and commercial reasons	Sold for consideration of ₹ 89.40 million

Accord Tracon Limited, Rangbarshi Projects Limited, Ricon Infrastructures Limited, Saltlake Energy Limited, Turnkey Infrastructures Limited and JLD Cement Limited are referred to as the “Disassociated Entities”.

Note: Manoj Jayaswal, our Promoter, disassociated with four of the Disassociated Entities, namely, Accord Tracon Limited, Rangbarshi Projects Limited, Ricon Infrastructures Limited and Saltlake Energy Limited, as it came to his notice that these entities had certain orders passed against them by SEBI (although, in case of Accord Tracon Limited, it is only referred to in an order passed by SEBI against another entity).

Further, it also came to Mr. Manoj Jayaswal’s notice that SEBI orders were issued against two of our other Group Companies, namely Abhijeet Projects Limited and Indo Invest Vision Limited, and SEBI had initiated proceedings against Abhijeet Cement Limited (in which respect SEBI has passed a consent order dated March 25, 2011). However, our Promoters have not disassociated from these companies as they have developed substantial business interest in these companies. For details regarding the same, see “Outstanding Litigations and Material Developments” on page 426.

Further, Mr. Manoj Jayaswal was not associated with the above entities prior to or at the time of institution of the SEBI proceedings against such entities. All these disassociations were between October – November, 2010.

Confirmations

Further, our Promoters have not been declared wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoters in the past or pending against them.

Change in the management and control of the Issuer

Our Company was promoted by the members of BLS Family, comprising Basant Lall Shaw, Arbind Kumar Jayaswal, Manoj Jayaswal and Ramesh Kumar Jayaswal, and their respective spouses and children. The ownership and control of the Company was transferred to our Promoter, Manoj Jayaswal, along with his spouse, his sons and their families pursuant to the Indenture of Family Settlement. For details, see “History and Certain Corporate Matters” on page 223.

The Promoter Group

In addition to the Promoters named above, the following individuals and entities form a part of the Promoter Group:

1. Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group (due to their relationship with Manoj Jayaswal and Manisha Jayaswal, wife of Manoj Jayaswal), are as follows:

Name	Relationship with Promoter
Manisha Jayaswal	Wife of Manoj Jayaswal
Kamini Jayaswal	Sister of Manoj Jayaswal
Abhishek Jayaswal	Son of Manoj Jayaswal
Abhijeet Jayaswal	Son of Manoj Jayaswal
Swati Jayaswal	Daughter of Manoj Jayaswal
Radheshyam Prasad	Brother of Manisha Jayaswal
Ashok Prasad	Brother of Manisha Jayaswal
Vidyasagar Prasad	Brother of Manisha Jayaswal
Dilip Prasad Jayaswal	Brother of Manisha Jayaswal
Sunita Jayaswal	Sister of Manisha Jayaswal
Ramrati Devi Prasad	Mother of Manisha Jayaswal

2. Corporate entities forming part of the Promoter Group

Other than the companies forming part of Group Companies, there are no companies forming part of the Promoter Group.

3. Trusts forming part of Promoter Group

- (i) Abhijeet Foundation
- (ii) Abhijeet Benefit Trust
- (iii) Abhijeet Trust
- (iv) Abhishek Beneficiary Trust
- (v) Abhishek Benefit Trust
- (vi) Abhishek Family Trust
- (vii) Abhishek Trust
- (viii) The Jayaswal Basant Lall Shaw Family Trust

4. HUFs forming part of Promoter Group

- (i) Manoj Jayaswal HUF

5. Partnership firms forming part of Promoter Group

- (i) Artscape
- (ii) Growth Infinite
- (iii) JMD & Associates
- (iv) Shri Krishna Industries

6. Proprietary concerns forming part of Promoter Group

- (i) Balaji Corporations
- (ii) Balaji Enterprises

OUR GROUP COMPANIES

Our Group Companies are as listed below. Unless expressly specified, the financial details of Group Companies in this Section, are based on their audited financial statements.

I. Companies

1. Aagam Vincom Private Limited
2. Abhijeet Bengal Green Energy Limited
3. Abhijeet Bengal Hydel Energy Limited
4. Abhijeet Bihar Roadways Limited
5. Abhijeet Cement Limited
6. Abhijeet Energy Private Limited
7. Abhijeet Enterprises Limited
8. Abhijeet Ferrotech Limited
9. Abhijeet Global Ventures Limited
10. Abhijeet Hazaribagh Toll Road Limited
11. Abhijeet Infra Limited
12. Abhijeet Infracon Limited
13. Abhijeet Infrastructure Limited
14. Abhijeet Infratech Limited
15. Abhijeet Madhya Pradesh Power Private Limited
16. Abhijeet Natural Resources Private Limited
17. Abhijeet New India Cement Private Limited
18. Abhijeet North Eastern Projects Limited
19. Abhijeet Offshore Mining Private Limited
20. Abhijeet Powgen Limited
21. Abhijeet Projects Limited
22. Abhijeet Real Estate Limited
23. Abhijeet Roads Limited
24. Abhijeet Saoner Toll Road Company Limited
25. Abhijeet Steel Limited
26. Abhijeet Talent Limited
27. Abhijeet Thermal Energy Limited
28. Abhijeet Toll Road (Karnataka) Limited
29. Abhijeet Urban Development Limited
30. Abhijeet Ventures Limited
31. Abhijeet Vision Cement Limited
32. Abhijeet Vision Limited
33. Abhijeet Vision Power Limited
34. Accurate Commercial Private Limited
35. Accelerate Infratech Limited
36. Accelerate Powgen Limited
37. Adinath Powergen Limited
38. AE Coal Technologies India Private Limited
39. AMR Iron and Steel Private Limited
40. AMR Steel Industries Private Limited
41. Arissan Infraprojects Limited
42. Arissan Powergen Limited
43. Arissan Ventures Limited
44. Baba Ramdeo Commercials Private Limited
45. Brijwasi Projects Limited
46. Chitrakoot Tie-up Private Limited
47. Concord Dealers Private Limited
48. Corporate Cement Limited
49. Cute Banijya Private Limited

50. Dadhich Vinimay Private Limited
51. Dhruv Vintrade Private Limited
52. ECLAT Ventures Private Limited
53. Efficient Ventures Private Limited
54. Excel Powmin Limited
55. Global Powmin Limited
56. Greengold Marketing Private Limited
57. Hilltop Projects Private Limited
58. Impression Mercantile Private Limited
59. Indo Invest Vision Limited
60. Jagannathpur Steel Limited
61. James Suppliers Private Limited
62. Jas Toll Road Company Limited
63. Jayaswals Ashoka Infrastructure Private Limited
64. Kaizen Power Limited
65. Kritika Infraprojects Limited
66. Lakeview Energy Limited
67. Lakshya Energy Limited
68. Linkman Commotrade Private Limited
69. Micro Vehicles Private Limited
70. Mridul Ventures Limited
71. Mudrika Projects Limited
72. Mukul Vinimay Private Limited
73. Ospray Commercial Limited
74. Penguin Distributors Private Limited
75. Professional HR Services Private Limited
76. Ramdeobaba Impex Private Limited
77. Regal Energy Limited
78. R.M.G.Super Conductors Limited
79. Rupayan Agencies Private Limited
80. Sargam Infraprojects Private Limited
81. Shivangan Vanijya Private Limited
82. Splendor Power Limited
83. Supreme Powgen Limited
84. Suvidha Infraprojects Limited
85. Tigerhill Marketing Private Limited
86. Titan Minerals and Steel Limited
87. Toplight Tradelink Private Limited
88. Ultra Castings Limited
89. Vector Mining Limited
90. Vishakha Power Limited
91. Vriddhi Power Limited
92. Vulcun Power Limited
93. ZEN Infracon Limited

II. Trusts

1. Abhijeet Benefit Trust
2. Abhijeet Foundation
3. Abhijeet Trust
4. Abhishek Beneficiary Trust
5. Abhishek Benefit Trust
6. Abhishek Family Trust
7. Abhishek Trust
8. The Jayaswal Basant Lall Shaw Family Trust

A. Details of the five largest Group Companies (based on turnover)

1. Mridul Ventures Limited (“MVL”)

Corporate Information

MVL was incorporated on March 10, 2010 under the Companies Act as Mridul Vincom Private Limited. The name of the company was changed to Mridul Ventures Private Limited on June 15, 2010 and subsequently to MVL on July 20, 2010 upon conversion into a public company. The registered office of MVL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of MVL provide that MVL can *inter alia* undertake the business of generation, transmission, distribution, supply and sale of power.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 100% of equity share capital of MVL.

Financial Performance

(In ₹ Million, except share data)

Particulars	For the year ended September 2010
Equity Capital	20.04
Reserves (excluding revaluation reserves) and surplus	383.65
Income (including other income)	15102.82
Profit After Tax	4.70
Earnings per Share (face value ₹ 10 each)	2.34
Diluted Earnings per Share	2.34
Net asset value per share	201.40

2. Abhijeet Ventures Limited (“AVL”)

Corporate Information

AVL was incorporated on September 22, 2005 under the Companies Act, as Parichay Sales Private Limited. The name of the company was changed to Parichay Power Private Limited on January 8, 2010. The name of the company was further changed to Parichay Power Limited on February 1, 2010 upon conversion into a public limited company and subsequently to AVL on July 19, 2010. The registered office of AVL is located at Insignia Tower, EN1, Sector V, Salt Lake, Kolkata, West Bengal. The main objects of the memorandum of association of AVL provide that AVL can undertake *inter alia* the business of generation, transmission, distribution, supply and sale of power.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 100% of the equity share capital of AVL.

Financial Performance

(In ₹ Million, except share data)

Particulars	For the year ended August 31, 2010*	Fiscal 2009	Fiscal 2008
Equity Capital	55.42	9.29	3.43
Reserves (excluding revaluation reserves) and	664.13	82.67	29.98

Particulars	For the year ended August 31, 2010*	Fiscal 2009	Fiscal 2008
surplus			
Income (including other income)	766.23	29.94	12.76
Profit After Tax	2.32	0.05	(0.009)
Earnings per Share (face value ₹ 10 each)	0.42	0.06	(0.03)
Diluted Earnings per Share	0.42	0.06	(0.03)
Net asset value per share	129.82	99.03	97.38

* The financial year was extended by five months up to August 31, 2010.

3. Abhijeet Projects Limited ("APRL")

Corporate Information

APRL was incorporated on February 27, 1996 under the Companies Act as Aminex Projects Private Limited. The name of the company was changed to Abhijeet Projects Private Limited on March 27, 2008 and subsequently to APRL on September 18, 2008 upon conversion into a public limited company. The registered office of APRL is located at Insignia Towers, EN1, Sector V, Saltlake, Kolkata 700 072, West Bengal. The main objects of the memorandum of association of APRL provide that APRL can undertake *inter alia* the business of designing, engineering, procuring and constructing manufacturing units, water works, roads and bridges, modes of communication and modes of transportation, on a turnkey basis.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 99.99% of equity share capital of APRL.

Financial Performance

(In ₹ Million, except share data)

Particulars	Fiscal 2010 ¹	Fiscal 2009 ²	Fiscal 2008 ³
Equity Capital	313.06	61.28	54.59
Reserves (excluding revaluation reserves) and surplus	2,693.76	321.23	261.06
Income (including other income)	6,425.42	150.53	146.04
Profit After Tax	111.69	0.07	0.32
Earnings per Share (face value ₹ 10 each)	16.61	0.01	0.06
Diluted Earnings per Share	16.61	0.01	0.06
Net asset value per share	96.04	62.42	57.81

¹ Significant notes:

- (i) The company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance corporation, professional tax except income tax, tax deducted at source, service tax which has not been regularly deposited with appropriate authorities and there have been significant delays in a large number of cases.
- (ii) Undisputed statutory dues including income tax, sales tax, cess, as applicable have not been regularly deposited with the appropriate authorities:
 - (a) Filing fees for increase in authorised share capital is disputed and pending before the Calcutta High Court. The amount involved is ₹ 0.27 million.
 - (b) The rectification of income tax under section 154 for the assessment year 2003-2004 is pending. The amount involved is ₹ 0.006 million.

² Significant notes:

- (i) Details of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of disputes are:
 - (a) Filing fees for increase in authorised share capital pending before the Calcutta High Court. The amount involved is ₹ 0.27 million.
 - (b) The rectification of income tax under section 154 for the assessment year 2003-2004 is pending. The amount involved is ₹ 0.006 million.

- ³ Significant notes:
- Details of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which has not been deposited on account of disputes are:
 - Filing fees for increase in authorised share capital pending before the Calcutta High Court. The amount involved is ₹ 0.27 million.
 - The rectification of income tax under section 154 for the assessment year 2003-2004 is pending. The amount involved is ₹ 0.006 million.

4. Abhijeet Infrastructure Limited (“AIL”)

Corporate Information

AIL was incorporated on July 19, 1984 under the Companies Act as Abhijeet Iron Processors Private Limited. The name of the company was changed to Abhijeet Infrastructure Private Limited on December 31, 2001 and subsequently to AIL on July 24, 2004 upon conversion into a public limited company. The registered office of AIL is currently located at 601, Tulsiani Chambers, Nariman Point, Mumbai 400 021 and AIL is in the process of shifting the registered office EN1, Insignia Towers, 3rd Floor, Sector V, Salt Lake City, Kolkata, West Bengal. The main objects of the memorandum of association of AIL provide that AIL can undertake *inter alia* business as manufacturers, producers, scrap processors, ship breakers, dismantlers, processors, refiners, smelters, makers, converters, finishers, repairers, importers and exporters in all kinds of steel, iron and ferro alloys.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% of the equity share capital of AIL.

Financial Performance

(In ₹ Million, except share data)

Particulars	Fiscal 2010 ¹	Fiscal 2009 ²	Fiscal 2008
Equity Capital	7.28	5.50	5.50
Reserves (excluding revaluation reserves) and surplus	1,230.21	863.10	1,179.20
Income (including other income)	541.72	606.85	1,226.53
Profit After Tax	94.19	83.68	70.18
Earnings per Share (face value ₹ 100 each)	1,530.00	1,511.00	1,266.49
Diluted Earnings per Share	1,530.00	1,511.00	1,266.00
Net asset value per share	17,000.35	15,792.76	21,540.05

- ¹ Significant notes:
- The company has not taken approval of the Central Government for corporate guarantee of ₹ 430 million given to banks/financial institution for loan taken by the companies where directors are interested.
- ² Significant notes:
- The company has not taken approval of the Central Government for corporate guarantee of ₹ 430 million given to banks/financial institution for loan taken by the Companies under the same management. The company has filed for compounding under section 621A.

5. Jas Toll Road Company Limited (“JTRCL”)

Corporate Information

JTRCL was incorporated on June 6, 2001 under the Companies Act. The registered office of JTRCL is located at 39, Ambazari Layout, Nagpur 440 010. The main objects of the memorandum of association of JTRCL provide that JTRCL can undertake *inter alia* the business of designing, engineering, constructing, building, operating and maintaining roads, bridges and other infrastructure or services in connection therewith and collect toll and presently operates a maintains 32.5 km section of highway on National Highway no .4, Tumkur - Nelamangala section, in the state of Karnataka under concession from National

Highway Authority of India.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold approximately 39% of equity share capital of JTRCL.

Financial Performance

(In ₹ Million, except share data)

Particulars	Fiscal 2010 ¹	Fiscal 2009 ²	Fiscal 2008 ³
Equity Capital	759.66	759.66	759.66
Reserves (excluding revaluation reserves) and surplus	95.60	40.13	0.69
Income (including other income)	404.92	373.17	371.99
Profit After Tax	55.47	39.43	74.06
Earnings Per Share (face value ₹ 10 each)	0.73	0.52	0.97
Diluted Earnings Per Share	0.73	0.52	0.97
Net asset value per share	11.26	10.53	10.01

¹ Significant notes:

- (i) The company has taken interest free unsecured loan from one company covered in register maintained under section 301 of the Companies Act. The maximum amount outstanding is ₹ 0.07 million and the year end balance is ₹ 0.07 million.
- (ii) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, excise duty and cess, as applicable have not been regularly deposited with appropriate authorities.
- (iii) Undisputed amounts payable outstanding at the year end for a period of more than six months from the date they became payable are as follows:
 - (a) The due date for the advance tax payable for the financial year 2009-2010 was September 15, 2009 and the date of payment is August 6, 2010. The amount involved is ₹ 2.30 million.

² Significant notes:

- (i) Undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, excise duty and cess, as applicable, have not been regularly deposited with appropriate authorities.
- (ii) Undisputed amounts payable outstanding at the year end for a period of more than six months from the date they become payable are as follows:
 - (a) The due date for the advance tax payable for financial year was June 15, 2008 and the date of payment is September 26, 2009. The amount involved is ₹ 0.91 million.
 - (b) The due date for the advance tax payable for financial year was September 15, 2008 and the date of payment is September 26, 2009. The amount involved is ₹ 1.82 million.

³ Significant notes:

- (i) Non compliance of AS-29 in respect to "provisions, contingent liabilities and contingent assets".

B. Group Companies that incurred loss in Fiscal 2010

1. Toplight Tradelink Private Limited ("TTPL")

Corporate Information

TTPL was incorporated on January 10, 1996 under the Companies Act. The registered office of the TTPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association provide that TTPL can *inter alia* undertake business as buyers, sellers, traders and merchants of all kinds of commercial products in India.

Interest of the Promoters

Companies controlled by our Promoters together hold 100% of the equity share capital of TTPL.

Financial Performance

(In ₹ Million, except share data)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Equity Capital	59.58	6.51	19.85
Reserves (excluding revaluation reserves) and surplus	587.70	110.11	131.82
Income (including other income)	34.64	0.033	3.18
Profit After Tax	(0.14)	0.003	(0.02)
Earnings per Share (face value ₹ 10 each)	(0.02)	0.01	0.00
Diluted Earnings per Share	(0.02)	0.01	0.00
Net asset value per share	93.08	76.41	76.42

C. Group Company under winding up

1. Abhijeet Infra Limited (“AINL”)

Corporate Information

AINL was incorporated on October 25, 2007 under the Companies Act as Abhijeet Infra Private Limited. The name of the company was changed to AINL on October 29, 2008 upon conversion into a public company. The registered office of AINL is located at EN1, 3rd Floor, Insignia Tower, Sector V, Salt Lake, Kolkata, West Bengal. AINL is currently under the process of dissolution without being wound up in terms of the Composite Scheme of Arrangement. For further details, please see “Composite Scheme of Arrangement” on page 221.

Financial Performance

(In ₹ Million, except share data)]

Particulars	Fiscal 2009 ¹	Fiscal 2008 ²
Equity Capital	0.60	0.10
Reserves (excluding revaluation reserves) and surplus	8.93	1.95
Income (including other income)	600.03	204.11
Profit After Tax	6.98	1.95
Earnings per Share (face value ₹ 10 each)	116.28	194.90
Diluted Earnings per Share	116.28	194.90
Net asset value per share	158.77	204.90

¹ Significant notes:

(i) The figure of sales as per Sales tax and Service tax return is not an agreement with the balance as per general Ledger.

(ii) The company has adopted the revised AS-15 Employees benefits during the current year.

² Significant notes:

(i) Undisputed statutory dues, including Provident, income tax, sales tax, Wealth-tax, Cess and other material statutory dues as applicable have generally been regularly deposited by the company during the year with the appropriate authorities expect in case of service Tax of ₹46,32,166 which is not been paid till date.

D. Details of other Group Companies

1. Aagam Vincom Private Limited (“AVPL”)

Corporate Information

AVPL was incorporated on May 10, 2010 under the Companies Act. The registered office of AVPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of AVPL provide that AVPL can *inter alia* undertake business as distributors, agents, traders, merchants, contractors and brokers and otherwise deal in merchandise and

articles of all kinds including engaging as clearing agents, freight contractors, forwarding agents, licensing agents and general brokers.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% of the equity share capital of AVPL.

2. Abhijeet Bengal Green Energy Limited (“ABGEL”)

Corporate Information

ABGEL was incorporated on January 28, 2009, under the Companies Act. The registered office of ABGEL is located at Insignia Tower, EN, 3rd floor, Salt Lake, Sector 5, Kolkata, West Bengal. The main objects of the memorandum of association of ABGEL provide that ABGEL can *inter alia* undertake the business of developing, maintaining and operating facilities for the generation, transmission and distribution of electricity or any other form of power or energy.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% of the equity share capital of ABGEL.

3. Abhijeet Bengal Hydel Energy Limited (“ABHEL”)

Corporate Information

ABHEL was incorporated on January 28, 2009 under the Companies Act. The registered office of ABHEL is located at Insignia Tower, EN, 3rd Floor, Salt Lake, Sector 5, Kolkata, West Bengal. The main objects of the memorandum of association of ABHEL provide that ABHEL can *inter alia* undertake the business of developing, maintaining and operating facilities for the generation, transmission and distribution of electricity or any other form of power or energy.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% of the equity share capital of ABHEL.

4. Abhijeet Bihar Roadways Limited (“ABRL”)

Corporate Information

ABRL was incorporated on March 7, 2011 under the Companies Act. The registered office of ABRL is located at EN1, Insignia Tower, 3rd Floor, Sector V, Saltlake, Kolkata. The main objects of the memorandum of association of ABRL provide that ABRL can *inter alia* engage in the business of designing, engineering, procuring, constructing, contracting, developing, financing, fabricating, building, operating, maintaining the project of two laning with paved shoulder of Chhapra – Gopalganj section of national highway no. 85 from km 0.00 to km 94.70 in the state of Bihar to be executed as BOT on the design, build, finance, operate and transfer pattern under the National Highway Development Project III annuity.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% of the equity share capital of ABRL.

5. Abhijeet Cement Limited (“ACL”)

Corporate Information

ACL was incorporated on December 30, 1996 under the Companies Act as Sabera Tradelink Private Limited. The name of the company was changed to Abhijeet Cement Private Limited on November 27, 2007 and subsequently to ACL on September 18, 2008 upon conversion into a public limited company. The registered office of ACL is located at Insignia Towers, EN1, Sector V, Salt Lake, Kolkata 700 091, West Bengal. The main objects of the memorandum of association of ACL provide that ACL can *inter alia* undertake the business of manufacture, import, export, purchase and sale and act as brokers, agents, stockists, distributors and suppliers of all kinds of cement clinker and cement products.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 100% of the equity share capital of ACL.

6. Abhijeet Energy Private Limited (“AEPL”)

Corporate Information

AEPL was incorporated on September 15, 2010 under the Companies Act. The registered office of AEPL is located at Insignia Tower, EN1, 3rd Floor, Sector V, Salt Lake, Kolkata, West Bengal. The main objects of the memorandum of association of AEPL provide that AEPL can *inter alia* undertake business as producers, manufacturers, generators, suppliers, distributors, transformers, converters, transmitters, processors, developers, procurers, carriers and dealers in electricity, all form of energy and any such products and by-products derived from such business.

Interest of the Promoters

Manoj Jayaswal and his relatives together hold 100% of the equity share capital of AEPL.

7. Abhijeet Enterprises Limited (“AEL”)

Corporate Information

AEL was incorporated on May 3, 2011 under the Companies Act. The registered office of AEL is located at EN1, Insignia Towers, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of AEL provide that AEL can *inter alia* undertake business as builders, masons and contractors and carry on the business as proprietors of lands, flats, maisonettes, dwelling houses, shops, offices, industrial estates, lessees of lands, flats and other immoveable properties.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% of the equity share capital of AEL.

8. Abhijeet Ferrotech Limited (“AFL”)

Corporate Information

AFL was incorporated on January 10, 1996 under the Companies Act, as Mangalmayee Garmets Private Limited. The name of the company was changed to Coastal Ferrotech Private Limited on November 26, 2007. The name of the company was further changed to Coastal Ferrortech Limited on September 18, 2008 upon conversion into a public limited company and subsequently to AFL on January 21, 2010. The registered office of AFL is located at Insignia Towers, EN1, Sector V, Salt Lake, Kolkata 700 091, West

Bengal. The main objects of the memorandum of association of AFL provide that AFL can *inter alia* undertake business of manufacture of metals, alloys, ferrous and non-ferrous metals and products thereof.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 100% of the equity share capital of AFL.

9. Abhijeet Global Ventures Limited (“AGVL”)

Corporate Information

Abhijeet Global Ventures Limited was incorporated on June 2, 2011 under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as Most Focus Limited. Subsequently AGVL’s name was changed to Abhijeet Global Ventures Limited on June 20, 2011. The Registered Office of the Company is located at Room 302, 3/F, the Centre Mark, 287-299 Queen’s Road, Central, Hong Kong. AGVL is engaged in the business of trading of minerals.

Interest of the Promoters

Company controlled by our Promoters together hold 100% of the equity share capital of AGVL.

10. Abhijeet Hazaribagh Toll Road Company Limited (“AHTRCL”)

Corporate Information

AHTRCL was incorporated on May 27, 2010 under the Companies Act. The registered office of AHTRCL is located at EN1, Insignia Tower, Salt Lake, Kolkata 700 091, West Bengal. The main objects of the memorandum of association of AHTRCL provide that AHTRCL can *inter alia* undertake the business of designing, engineering, procuring, constructing, contracting, developing and maintaining roads / toll roads, bridges, culverts, over bridges, buildings, highways and other infrastructure, equipment on lease or hire or otherwise or providing services therewith or collect toll in connection with the four laning of Barhi – Hazaribagh section of National Highway no. 33 under National Highway Development Project, Phase III as awarded by National Highways Authority of India on design, build, finance, operate and transfer basis.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% of the equity share capital of AHTRCL.

11. Abhijeet Infracon Limited (“AIcL”)

Corporate Information

AIcL was incorporated on April 5, 2011 under the Companies Act. The registered office of AIcL is located at EN1, Insignia Towers, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of understanding of AIcL provide that AIcL can *inter alia* undertake business as builders, masoners and contractors and carry on the business as proprietors of lands, flats, maisonettes, dwelling houses, shops, offices, industrial estates, lessees of lands, flats and other immoveable properties.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% of the equity share capital of AIcL.

12. Abhijeet Infratech Limited (“AItL”)

Corporate Information

AItL was incorporated on April 11, 2011 under the Companies Act. The registered office of AItL is located at EN1, Insignia Towers, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of AItL provide that AItL can *inter alia* construct, build, develop, maintain, operate, own and transfer infrastructure facilities, any project for generation and/or distribution of electricity or any other form of power, and any telecommunication services and to deal with the same in any manner whatsoever.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% of the equity share capital of AItL.

13. Abhijeet Madhya Pradesh Power Private Limited (“AMPPPL”)

Corporate Information

AMPPPL was incorporated on June 24, 2010 under the Companies Act as Abhiman Mining Private Limited. The name of the company was changed to AMPPPL on September 9, 2010. The registered office of AMPPPL is located at 3rd Floor, Insignia Tower, EN1, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of AMPPPL provide that AMPPPL can *inter alia* undertake business as producers, manufacturers, generators, suppliers, distributors, transformers and dealers in electricity, all form of energy and any such products and by-products derived from such business.

Interest of the Promoters

Manoj Jayaswal and his relatives together hold 100% of the equity share capital of AMPPPL.

14. Abhijeet Natural Resources Private Limited (“ANRPL”)

Corporate Information

ANRPL was incorporated on December 15, 2004 under the Companies Act as JKS Mines Private Limited. The name of the company was changed to ANRPL on May 22, 2009. The registered office of ANRPL is located at EN1, 3rd floor, Insignia Tower, Sector V, Saltlake, Kolkata, West Bengal. The main objects of the memorandum of association of ANRPL provide that ANRPL can *inter alia* undertake business as excavators, crushers, cutters, lifters, importers, buyers, sellers, suppliers and dealers of all kinds of minerals, iron ore, sponge iron, copper and other precious, semi precious and commercial minerals and metals.

Interest of the Promoters

Relatives of Manoj Jayaswal hold 100% equity share capital in ANRPL.

15. Abhijeet New India Cement Private Limited (“ANICPL”)

ANICPL was incorporated on May 18, 2007 under the Companies Act as Adyama Infrastructure Private Limited. The name of the company was changed to Abhijeet New India Cement Private Limited on March 8, 2010. The registered office of ANICPL is located at Insignia Tower, EN1, Sector V, Salt Lake, Kolkata, West Bengal. The main objects of the memorandum of association of ANICPL provide that ANICPL can *inter alia* undertake the business of manufacturing, import, export, purchase and sale and act as brokers, agents, stockiest, distributors and suppliers of all kinds of cement.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 100% of the equity share capital of ANICPL.

16. Abhijeet North Eastern Projects Limited (“ANEPL”)

Corporate Information

ANEPL was incorporated on September 4, 2008 under the Companies Act. The registered office of ANEPL is located opposite Buddhist Temple, 1st Floor, Holding No. 382, Ward No. 20, Barapather, Shillong, Meghalaya. The main objects of the memorandum of association of ANEPL provide that ANEPL can *inter alia* undertake business related to production, manufacture, treatment, processing, refining, preparing, import, export, purchase and sale of cement.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% of the equity capital of ANEPL.

17. Abhijeet Offshore Mining Private Limited (“AOMPL”)

Corporate Information

AOMPL was incorporated on August 13, 2010 under the Companies Act. The registered office of AOMPL is located at Insignia Tower, EN1, 3rd Floor, Sector V, Salt Lake, Kolkata, West Bengal. The main objects of the memorandum of association of AOMPL provide that AOMPL can *inter alia* undertake the business of buying, selling, marketing, supplying, importing, exporting, trading, hedging, storing, distributing, transporting, manufacturing, compressing, producing, processing, refining, mixing, formulating, purifying, disinfecting, converting, compounding and otherwise deal in all sorts of natural mining products and other natural resources.

Interest of the Promoters

Manoj Jayaswal and his relatives together hold 100% of the equity share capital of AOMPL.

18. Abhijeet Powgen Limited (“AbPL”)

Corporate Information

AbPL was incorporated on October 18, 2010 under the Companies Act. The registered office of AbPL is located at EN1, 3rd Floor, Insignia Tower, Sector V, Salt Lake, Kolkata, West Bengal. The main objects of the memorandum of association of AbPL provide that AbPL can *inter alia* undertake the business of developing, maintaining and operating of facilities for generating or generation, transmission and distribution of electricity or any other form of power or energy and to carry on business as generators, procurers, suppliers and dealers in electricity and generally to deal in any product or by product derived from any such business.

Interest of the Promoters

Manoj Jayaswal, companies controlled by them and relative and our Promoters together hold 98.80% of the equity share capital of AbPL.

19. Abhijeet Real Estate Limited (“AREL”)

Corporate Information

AREL was incorporated on April 7, 2011 under the Companies Act. The registered office of AREL is located at EN1, Insignia Towers, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of AREL provide that AREL can *inter alia* undertake business as builders, masoners, contractors and carry on the business of proprietors of lands, flats, maisonetes, dwelling houses, shops, offices, industrial estates, lessees of lands, flats and other immoveable properties and for these purposes purchase, take on lease or otherwise acquire and hold any lands or buildings of any tenure or description wherever situated, or rights or interests therein or connected therewith.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% equity share capital of AREL.

20. Abhijeet Roads Limited (“ARL”)

Corporate Information

ARL was incorporated on August 6, 2010 under the Companies Act. The registered office of ARL is located at 3rd Floor, Insignia Tower, EN1, Salt Lake, Kolkata 700 091. The main objects of the memorandum of association of ARL provide that ARL can *inter alia* undertake the business of designing, engineering, procuring, constructing, contracting, fabricating, building, operating, maintaining, roads/ toll roads, bridges, culverts, over bridges, buildings, highways, other infrastructure, equipment on lease or hire, on build operate transfer basis and carry on, in India or elsewhere, the business of providing infrastructural facilities.

Interest of the Promoters

Manoj Jayaswal and his relatives together hold 99.94% equity share capital of ARL.

21. Abhijeet Saoner Toll Road Company Private Limited (“ASTRCL”)

Corporate Information

ASTRCL was incorporated on October 23, 2009 under the Companies Act. The registered office of ASTRCL is located at 39, Ambazari Layout, Nagpur 440 010. The main objects of the memorandum of association of ASTRCL provide that ASTRCL can undertake *inter alia* the business of designing, engineering, procuring, constructing, contracting, fabricating, building, operating and maintaining, roads/ toll roads, bridges, culverts, over bridges, buildings, highways, other infrastructure, equipment on lease or otherwise or services in connection therewith and collect user fees/toll.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 99.80% of the equity share capital of ASTRCL.

22. Abhijeet Steel Limited (“ASL”)

Corporate Information

ASL was incorporated on April 14, 2011 under the Companies Act. The registered office of ASL is located at Insignia Tower, EN1, 3rd Floor, Sector V, Salt Lake City, Kolkata, West Bengal. The main objects of the

memorandum of association of ASL provide that ASL can *inter alia* undertake business as manufacturers exporters, importers, buyers, sellers, agents and dealers in all kinds and description of iron and steel, their products, intermediate products and by-products.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% of the equity share capital of ASL.

23. Abhijeet Talent Limited (“ATL”)

Corporate Information

ATL was incorporated on August 27, 2010 under the Companies Act. The registered office of ATL is located at EN1, Insignia Tower, 3rd Floor, Sector V, Saltlake, Kolkata, West Bengal. The main objects of the memorandum of association of ATL provide that ATL can *inter alia* undertake the business of providing integrated human resources services and staffing solutions including but not restricted to manpower recruitment, flexi staffing, turnkey recruitment services for multiple project implementation and undertake mass recruitments.

Interest of the Promoters

Our Promoters and relatives of Manoj Jayaswal together hold 72% of the equity share capital of ATL.

24. Abhijeet Thermal Energy Limited (“ATEL”)

Corporate Information

ATEL was incorporated on October 18, 2010 under the Companies Act. The registered office of ATEL is located at EN1, Insignia Tower, 3rd Floor, Sector V, Saltlake, Kolkata, West Bengal. The main objects of the memorandum of association of ATEL provide that ATEL can *inter alia* undertake the business of developing, maintaining and operating facilities for generating or generation, transmission and distribution of electricity or any other form of power or energy.

Interest of the Promoters

Our Promoters and relatives of Manoj Jayaswal together hold 27% of the equity share capital of ATEL.

25. Abhijeet Toll Road (Karnataka) Limited (“ATRKL”)

Corporate Information

ATRKL was incorporated on May 16, 2011 under the Companies Act. The registered office of ATRKL is located at EN1, Insignia Towers, 3rd Floor, Sector V, Salt Lake, Kolkata. The main objects of the memorandum of association of ATRKL provide that ATRKL can *inter alia* undertake the business of designing, engineering, procuring, constructing, fabricating and collect toll in connection with the project on build operate transfer basis at Chikkanayakanahalli-Tiptur-Hassan road in Karnataka as per the tender floated by the Karnataka Road Development Corporation Limited.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% of the equity share capital of ATRKL.

26. Abhijeet Urban Development Limited (“AUDL”)

Corporate Information

AUDL was incorporated on February 14, 2011 under the Companies Act. The registered office of AUDL is located at EN1, Insignia Towers, 3rd Floor, Salt Lake, Kolkata, West Bengal. The main objects of the memorandum of association of AUDL provide that AUDL can *inter alia* construct, build, develop, maintain, operate, own and transfer urban development or infrastructure facilities, any project for generation and/or distribution of electricity or any other form of power, and any telecommunication services and to deal with the same in any manner whatsoever.

Interest of the Promoters

Our Promoters and relatives of Manoj Jayaswal together hold 50% of the equity share capital of AUDL.

27. Abhijeet Vision Cement Limited (“AVCL”)

Corporate Information

AVCL was incorporated on November 4, 2010 under the Companies Act. The registered office of AVCL is located at EN1, Insignia Tower, 3rd Floor, Sector V, Salt Lake, Kolkata, West Bengal. The main objects of the memorandum of association of AVCL provide that AVCL can *inter alia* produce, manufacture, treat, process, refine, import, export, purchase, sell and generally deal in and act as brokers, agents, stockiest, distributors and suppliers of all kinds of cement, cement products of any description and articles, things, compounds and preparations connected with such products.

Interest of the Promoters

Our Promoters and relatives of Manoj Jayaswal together hold 27% of the equity share capital of AVCL.

28. Abhijeet Vision Limited (“AViL”)

Corporate Information

AViL was incorporated on October 21, 2010 under the Companies Act. The registered office of AViL is located at EN1, Insignia Towers, 3rd floor, Salk Lake, Sector V, Kolkata. The main objects of the memorandum of association of AViL provide that AViL can *inter alia* undertake business as acquirers, advisors, consultants or otherwise deal in trademarks, copyrights, patents, logos, brands and intellectual property rights.

Interest of the Promoters

Our Promoters and relatives of Manoj Jayaswal together hold 60% of the equity share capital of AViL.

29. Abhijeet Vision Power Limited (“AViPL”)

Corporate Information

AViPL was incorporated on December 2, 2010 under the Companies Act. The registered office of AViPL is located at EN1, Insignia Towers, 3rd Floor, Salt Lake, Kolkata, West Bengal. The main objects of the memorandum of association of AViPL provide that AViPL can *inter alia* undertake business of producers, manufacturers, generators, suppliers, distributors, transformers, converters, transmitters, processors, developers, procurers, carriers and dealers in electricity, all form of energy and any such products and by-products derived from such business.

Interest of Promoters

Our Promoters and relatives of Manoj Jayaswal together hold 27% of the equity share capital of AViPL.

30. Accurate Commercial Private Limited (“ACPL”)

Corporate Information

ACPL was incorporated on August 27, 2008 under the Companies Act. The registered office of ACPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of ACPL provide that ACPL can *inter alia* undertake business as buyers, sellers, traders, merchants, brokers and agents of wood, timber and timber products, gems and jewellery, plastic and plastic goods and raw materials thereof.

Interest of Promoters

Our Promoters and companies controlled by them together hold 100% of the equity share capital of ACPL.

31. Accelerate Infratech Limited (“AcIL”)

Corporate Information

AcIL was incorporated on April 14, 2011 under the Companies Act. The registered office of AcIL is located at Insignia Tower, EN1, 3rd Floor, Sector V, Salt Lake City, Kolkata, West Bengal. The main objects of the memorandum of association of AcIL provide that AcIL can *inter alia* construct, build, develop, maintain, operate, own and transfer infrastructure facilities, any project for generation and/or distribution of electricity or any other form of power and any telecommunication services and to deal with the same in any manner whatsoever.

Interest of Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% of the equity share capital of AcIL.

32. Accelerate Powgen Limited (“AcPwL”)

Corporate Information

AcPwL was incorporated on April 14, 2011 under the Companies Act. The registered office of AcPwL is located at Insignia Tower, EN1, 3rd Floor, Sector V, Salt Lake City, Kolkata, West Bengal. The main objects of the memorandum of association of AcPwL provide that AcPwL can *inter alia* undertake the business of developing, maintaining and operating of facilities for generating or generation, transmission and distribution of electricity or any other form of power or energy.

Interest of Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% of the equity share capital of AcPwL.

33. Adinath Powergen Limited (“APwL”)

APwL was incorporated on July 16, 2007 under the Companies Act as Newtown Promoters Private Limited. The name of the company was changed to Adinath Powergen Private Limited on November 5, 2009 and subsequently to APwL on February 15, 2010 upon conversion into a public limited company. The registered office of APwL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West

Bengal. The main objects of the memorandum of association of APwL provide that APwL can *inter alia* undertake the business of generation, transmission, distribution, supply and sale of power.

Interest of Promoters

Our Promoters and companies controlled by them together hold 100% of the equity share capital of APwL.

34. AE Coal Technologies India Private Limited (“AECTIPL”)

Corporate Information

AECTIPL was incorporated on October 30, 2007 under the Companies Act. The registered office of AECTIPL is located at 39, Ambazari Layout, Nagpur, Maharashtra. The main objects of the memorandum of association of AECTIPL provide that AECTIPL can *inter alia* undertake the business of research, development, exploration, exploitation, prospecting and surveying of all natural resources for generation of energy and to set up facilities for cleaning, processing, storage, transportation, generation of electricity and production of synthetic gases.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 95% of the equity share capital of AECTIPL.

35. AMR Iron and Steel Private Limited (“AISPL”)

AISPL was incorporated on June 10, 2003 under the Companies Act. The registered office of AISPL is located at F-8, MIDC Industrial Area, Hingna Road, Nagpur. The main objects of the memorandum of association of AISPL provide that AISPL can *inter alia* undertake the business of manufacture or get manufactured from others, buy, sell, exchange, export, import, process, recover, convert, reroll and refine various items of cast iron, ductile iron, malleable iron, steel, alloys steel including scrap thereof in various forms and its products, iron and steel castings, forgings of all kinds required by various industries and to carry on the business of iron-founders, mechanical engineers, manufacturers of machinery and implements of all kinds, tool-makers, brass founders, metal workers, boiler – makers, mill – wrights, iron and steel convertors, smiths, and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in implements, machinery, rolling stock, stores, raw materials and hardware of all kinds in connection therewith.

In terms of the Indenture, the ownership and control of AISPL continues to be jointly held by our Promoters and other members of the BLS Family. However, the day-to-day operations of AISPL are managed by the other members of the BLS Family and we or our Promoters do not have information in relation to AISPL other than that which is publicly available. Hence, the aforesaid information regarding AISPL and the representations made in relation to compliance with securities laws and RBI regulations on AISPL’s behalf are to the best of knowledge of Manoj Jayaswal and our Company, after due and proper enquiry.

Interest of the Promoters

Our Promoters and relatives of Manoj Jayaswal together hold 25% of equity share capital of AISPL.

36. AMR Steel Industries Private Limited (“ASIPL”)

Corporate Information

ASIPL was incorporated on May 13, 2010, under the Companies Act. The registered office of ASIPL is located at 39, Ambazari Layout, Nagpur, Maharashtra. The main objects of the memorandum of association of ASIPL provide that ASIPL can *inter alia* undertake the business of manufacture or get manufactured from others, buy, sell, exchange, export, import, process, recover, convert, reroll and refine various items of

cast iron, ductile iron, malleable iron, steel, alloys steel including scrap thereof in various forms and its products.

Interest of the Promoters

Manoj Jayaswal holds 25% of equity share capital of ASIPL.

37. Arissan Infraprojects Limited (“AIfL”)

Corporate Information

AIfL was incorporated on July 28, 2006 under the Companies Act as Megacity Township Private Limited. The name of the company was changed to Arissan Infraprojects Private Limited on April 30, 2010 and subsequently to AIfL on June 14, 2010 upon conversion into a public limited company. The registered office of AIfL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects clause of the memorandum of association of AIfL provide that AIfL can *inter alia* undertake the business of generation of power from renewable and non renewable resources or any other means, distribution of power to government and commercial consumers, individual consumer and all consumers of electricity including captive consumption.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 100% of equity share capital of AIfL.

38. Arissan Powergen Limited (“APgL”)

Corporate Information

APgL was incorporated on July 29, 2006 under the Companies Act as Megacity Niwas Private Limited. The name of the company was changed to Arissan Powergen Private Limited on May 4, 2010 and subsequently to APgL on June 14, 2010 upon conversion into a public limited company. The registered office of APgL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects clause APgL provide that APgL can *inter alia* undertake the business of generation of power from renewable and non renewable resources or any other means, to undertake distribution of power to Government and commercial consumers, individual consumer and all consumers of electricity including captive consumption.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 100% of equity share capital of APgL.

39. Arissan Ventures Limited (“ArVL”)

Corporate Information

ArVL was incorporated on May 19, 2006 under the Companies Act as Megacity Enclave Private Limited. The name of the company was changed to Arissan Ventures Private Limited on May 21, 2010 and subsequently to ArVL on June 22, 2010 upon conversion into a public limited company. The registered office of ArVL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of ArVL provide that ArVL can *inter alia* undertake the business of generation of power from renewable and non renewable resources or any other means, distribution of power to Government and commercial consumers, individual consumer and all consumers of electricity including captive consumption.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 100% of equity share capital of ArVL.

40. Baba Ramdeo Commercials Private Limited (“BRCPL”)

Corporate Information

BRCPL was incorporated on February 26, 1999 under the Companies Act. The registered office of BRCPL is located at 39, Ambazari Layout, Nagpur, Maharashtra. The main objects of the memorandum of association of BRCPL provide that BRCPL can *inter alia* undertake business as exporters, importers, agents, commission agents, traders, representatives, dealers, stockiest, distributors, lessors, collectors of industrial, household, domestic, automobile, farm and forest products and goods, plants, machineries, equipment, stores, apparatus, gadgets, appliances, accessories, spare parts, scientific and industrial instruments of all machine tools, precision tools, surgical instruments and other merchandise including all kinds of commercial products, metals, minerals including ferrous and non-ferrous metals.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 90.91% of the equity share capital of BRCPL.

41. Brijwasi Projects Limited (“BPrL”)

Corporate Information

BPrL was incorporated on March 10, 2010 under the Companies Act as Brijwasi Distributors Private Limited. The name of the company was changed to Brijwasi Projects Private Limited on June 15, 2010 and subsequently to BPrL on July 15, 2010 upon conversion into a public limited company. The registered office of BPrL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of BPrL provide that BPrL can *inter alia* undertake the business of generation, transmission, distribution, supply and sale of power.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 100% of equity share capital of BPrL.

42. Chitrakoot Tie-up Private Limited (“CTPL”)

Corporate Information

CTPPL was incorporated on March 24, 2007 under the Companies Act. The registered office of CTPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of CTPL provides that CTPL was *inter alia* undertake business as buyers, sellers, traders, merchants, indentors, brokers, agents, commission agents, packers, stockiest, brokers and sub-brokers, distributors, advisors of all kinds of tools, equipments and machineries, commercial goods, iron materials and every other type of iron and steel material, aluminum, ferrous and non-ferrous metals.

Interest of the Promoters

Our Promoters and relatives of Manoj Jayaswal together hold 90.12% of the equity share capital of CTPL.

43. Concord Dealers Private Limited (“CDPL”)

Corporate Information

CDPL was incorporated on August 1, 2008 under the Companies Act. The registered office of CDPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of CDPL provide that CDPL can *inter alia* undertake, in India or elsewhere, the business to alter, convert, commercialize design, develop, supply buy and sell all varieties specification, description, modalities, devices, systems and application of all types of printing and electronics media.

Interest of the Promoters

Companies controlled by our Promoters together hold 100% of the equity share capital of CPDL.

44. Corporate Cement Limited (“CCL”)

Corporate Information

CCL was incorporated on September 13, 2005 under the Companies Act as Virtual Vanijya Private Limited. The name of the company was changed to Corporate Cement Private Limited on March 16, 2011 and subsequently to CCL upon conversion of the company to a public limited company on May 30, 2011. The registered office of CCL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of CCL provide that CCL can *inter alia* undertake business as buyers, sellers, suppliers, traders and merchants of all kinds of machinery items and man-made fibers, textiles of all kinds, all types of yarn, clothes and all kinds of commercial products.

Interest of the Promoters

Companies controlled by our Promoters together hold 100% of the equity share capital of CCL.

45. Cute Banijya Private Limited (“CBPL”)

Corporate Information

CBPL was incorporated on December 3, 2008 under Companies Act. The registered office of the CBPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of CBPL provide that CBPL can *inter alia* undertake the business of dealing in all kinds of electrical and electronic goods, commercial products, merchandise, commodities and articles of consumption in India or elsewhere and of acquiring, purchasing or leasing and running any hotel and restaurant.

Interest of the Promoters

Companies controlled by our Promoters together hold 100% of the equity share capital of CBPL.

46. Dadhich Vinimay Private Limited (“DVPL”)

Corporate Information

DVPL was incorporated on November 21, 2008 under the Companies Act. The registered office of DVPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V Kolkata, West Bengal. The main objects of the memorandum of association of DVPL provide that DVPL can *inter alia* undertake the business of dealing in all kinds of electrical and electronic goods, commercial products, merchandise, commodities and articles of consumption in India or elsewhere and to acquire, purchase or lease and run any hotel and restaurant.

Interest of the Promoters

Companies controlled by our Promoters together hold 100% of the equity share capital of DVPL.

47. Dhruv Vintrade Private Limited (“DViPL”)

Corporate Information

DViPL was incorporated on May 14, 2010 under the Companies Act. The registered office of DViPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of DViPL provide that DViPL can *inter alia* undertake business as distributors, agents, traders, merchants, contractors, brokers, and otherwise deal in merchandise and articles of all kinds, including clearing agents, freight contractors, forwarding agents, licensing agents and general brokers.

Interest of the Promoters

Manoj Jayaswal and his relatives, together hold 100% of the equity share capital of DViPL.

48. ECLAT Ventures Private Limited (“EVPL”)

Corporate Information

EVPL was incorporated on March 10, 2010, under the Companies Act as ECLAT Vinimay Private Limited. The name of the company was changed to EVPL on June 25, 2010. The registered office of EVPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of EVPL provide that EVPL can *inter alia* undertake the business of generation, transmission, distribution, supply and sale of power.

Interest of the Promoters

Companies controlled by our Promoters together hold 100% of equity share capital of EVPL.

49. Efficient Ventures Private Limited (“EVePL”)

Corporate Information

EVePL was incorporated on March 10, 2010 under the Companies Act as Efficient Dealers Private Limited. The name of the company was changed to EVePL on July 3, 2010. The registered office of EVePL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of EVePL provide that EVePL can *inter alia* undertake the business of generation, transmission, distribution, supply and sale of power.

Interest of the Promoters

Companies controlled by our Promoters together hold 100% of equity share capital of EVePL.

50. Excel Powmin Limited (“EPL”)

Corporate Information

EPL was incorporated on November 26, 2009 under the Companies Act. The registered office of EPL is located at Insignia Tower, EN1, 3rd Floor, Sector V, Salt Lake, Kolkata, West Bengal. The main objects of the memorandum of association of EPL provide that EPL can *inter alia* undertake the business of developing, maintaining and operating facilities for the generation, transmission, distribution of electricity or any other form of power or energy.

Interest of Promoters

Manoj Jayaswal and his relatives, together hold 99% of the equity share capital of EPL.

51. Global Powmin Limited (“GPL”)

Corporate Information

GPL was incorporated on November 25, 2009 under the Companies Act. The registered office of GPL is located at Insignia Tower, EN1, 3rd Floor, Saltlake, Sector - 5, Kolkata, West Bengal. The main objects of the memorandum of association of GPL provide that GPL can *inter alia* undertake the business of developing, maintaining and operating of facilities for the generation, transmission and distribution of electricity or any other form of power or energy.

Interest of the Promoters

Our Promoters and relatives of Manoj Jayaswal together hold 99% of the equity shares in GPL.

52. Greengold Marketing Private Limited (“GMPL”)

Corporate Information

GMPL was incorporated on January 19, 1995 under the Companies Act. The registered office of GMPL is located at 39, Ambazari Layout, Nagpur, Maharashtra. The main objects of the memorandum of association of GMPL provide that GMPL can *inter alia* undertake the business of manufacturing, buying, selling, processing, importing and exporting, distributing, stocking and otherwise dealing in all kinds of wood and other wooden products including plywood, sunmica and interior decorating material.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 90.91% of the equity share capital of GMPL.

53. Hilltop Projects Private Limited (“HPPL”)

Corporate Information

HPPL was incorporated on March 10, 2010 under the Companies Act as Hilltop Sales Private Limited. The name of the company was changed to HPPL on June 15, 2010. The registered office of HPPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of HPPL provide that HPPL can *inter alia* undertake the business of generation, transmission, distribution, supply and sale of power.

Interest of the Promoters

Companies controlled by our Promoters together hold 100% of equity share capital of HPPL.

54. Impression Mercantile Private Limited (“IMPL”)

Corporate Information

IMPL was incorporated on March 30, 2010 under the Companies Act. The registered office of IMPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of

the memorandum of association of IMPL provide that IMPL can *inter alia* undertake business as distributors, agents, traders, merchants, contractors, brokers and otherwise deal in merchandise and articles of all kinds including as clearing agents, freight contractors, forwarding agents, licensing agents and general brokers.

Interest of the Promoters

Manoj Jayaswal and his relatives together hold 100% of the equity share capital of IMPL.

55. Indo Invest Vision Limited (“IIVL”)

Corporate Information

IIVL was incorporated on December 31, 1996 under the Companies Act as Pratima Commodities Private Limited. The name of the company was changed to Indo Invest Vision Private Limited on March 26, 2001 and subsequently to IIVL on September 18, 2008 upon conversion into a public limited company. The registered office of IIVL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of IIVL provide that IIVL can *inter alia* undertake business as buyers, sellers, traders, merchants, indenters, brokers, agents, commission agents, assemblers, refiners, cultivators and distributors of all kinds of commercial products.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% of the equity share capital of IIVL.

56. Jagannathpur Steel Limited (“JSL”)

Corporate Information

JSL was incorporated on January 28, 2004, under the Companies Act as Ahimsaa Global Media Limited. The name of the company was changed to JSL on February 19, 2008. The registered office of JSL is located at Insignia Towers, EN 1, Sector V, Salt Lake, Kolkata, West Bengal. The main objects of the memorandum of association of JSL provide that JSL can *inter alia* undertake business as manufacturers of iron, various kinds of steel, general engineers and contractors.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 100% of equity share capital of JSL.

57. James Suppliers Private Limited (“JSPL”)

Corporate Information

JSPL was incorporated on March 30, 2010 under the Companies Act. The registered office of JSPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of JSPL provide that JSPL can *inter alia* undertake business as distributors, agents, traders, merchants, contractors and brokers and otherwise deal in merchandise and articles of all kinds including as clearing agents, freight contractors, forwarding agents, licensing agents and general brokers.

Interest of the Promoters

Manoj Jayaswal and his relatives together hold 100% of the equity share capital of JSPL.

58. Jayaswals Ashoka Infrastructure Private Limited (“JA IPL”)

Corporate Information

JA IPL was incorporated on November 3, 1998 under the Companies Act. The registered office of JA IPL is located at 39, Ambazari Layout, Nagpur 440 010. The main objects of the memorandum of association of JAICPL provide that JAICPL can *inter alia* undertake the business of designing, developing, operating and maintaining infrastructure projects.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 50% of the equity share capital of JA IPL and 50% of the preference share capital of JA IPL.

59. Kaizen Power Limited (“KPL”)

Corporate Information

KPL was incorporated on July 16, 2007, under the Companies Act, as Newtown Residence Private Limited. The name of company was changed to Kaizen Power Private Limited on November 5, 2009 and subsequently upon conversion into a public limited company to KPL on February 1, 2010. The registered office of KPL is located at Insignia Tower, EN1, Sector V, Salt Lake, Kolkata, West Bengal. The main objects of the memorandum of association of KPL provide that KPL can *inter alia* undertake the business of generation, transmission, distribution, supply and sale of power.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 100% of the equity share capital of KPL.

60. Kritika Infraprojects Limited (“KIL”)

Corporate Information

KIL was incorporated on July 28, 2006 under the Companies Act as Megacity Basalay Private Limited. The name of the company was changed to Kritika Infraprojects Private Limited on June 15, 2010 and subsequently to KIL on July 7, 2010 upon conversion into a public limited company. The registered office of KIL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of KIL provide that KIL can *inter alia* undertake the business of generation, transmission and distribution of power.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 100% of equity share capital of KIL.

61. Lakeview Energy Limited (“LEL”)

Corporate Information

LEL was incorporated on January 4, 2006 under the Companies Act as Lakeview Vanijya Private Limited. The name of the company was changed to Lakeview Energy Private Limited on January 8, 2010 and subsequently to LEL on February 1, 2010 upon conversion into a public limited company. The registered office of LEL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of LEL provide that LEL can *inter alia* undertake the

business of generation, transmission, distribution, supply and sale of power.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 100% of the equity share capital of LEL.

62. Lakshya Energy Limited (“LaEL”)

Corporate Information

LaEL was incorporated on May 22, 2006 under the Companies Act as Megacity Promoters Private Limited. The name of the company was changed to Lakshya Energy Private Limited on May 4, 2010 and subsequently to LaEL on June 14, 2010 upon conversion into a public limited company. The registered office of LaEL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of LaEL provide that LaEL can *inter alia* undertake the business of generation, transmission, distribution, supply and sale of power.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 100% of the equity share capital in LaEL.

63. Linkman Commotrade Private Limited (“LCPL”)

Corporate Information

LCPL was incorporated on August 26, 2008 under the Companies Act. The registered office of LCPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of LCPL provide that LCPL can *inter alia* undertake the business of trading, selling, buying, marketing, distributing and dealing in all kinds of consumer products in India or elsewhere.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 100% of the equity share capital of LCPL.

64. Micro Vehicles Private Limited (“MVPL”)

Corporate Information

MVPL was incorporated on June 28, 2009 under the Companies Act as Motor Finance (Nagpur) Private Limited. The name of the company was changed to MVPL on October 17, 2006. The registered office of MVPL is located at 39, Ambazari Layout, Nagpur, Maharashtra. The main objects of the memorandum of association of MVPL provide that MVPL can *inter alia* undertake the business of providing finance for purchase of all types of vehicles including cars, lorries, buses and trucks and of selling under hire purchase system or deferred payment system or otherwise and on such term and conditions as agreed between the parties, automobiles and other vehicle of every kind and description and to carry on business of vehicle finance, to finance hire-purchase requirement of all kinds and description.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 90.91% of the equity share capital of MVPL.

65. Mudrika Projects Limited (“MPL”)

Corporate Information

MPL was incorporated on August 11, 2004 under the Companies Act as Mudrika Vinimay Private Limited. The name of the company was changed to Mudrika Vinimay Limited on September 19, 2008 upon conversion into a public limited company and subsequently to MPL on November 16, 2009. The registered office of MPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of MPL provide that MPL can *inter alia* undertake business as buyers, sellers, traders and distributors of industrial tools, equipments and machineries, rubberized leather and leather goods.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% of the equity share capital of MPL.

66. Mukul Vinimay Private Limited (“MuVPL”)

Corporate Information

MuVPL was incorporated on May 10, 2010 under the Companies Act. The registered office of MuVPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of MuVPL provide that MuVPL can *inter alia* undertake business as distributors, agents, traders, merchants, contractors, brokers and otherwise deal in merchandise and articles of all kinds including as clearing agents, freight contractors, forwarding agents, licensing agents and general brokers.

Interest of the Promoters

Manoj Jayaswal and his relatives together hold 100% of the equity share capital of MuVPL.

67. Ospray Commercial Limited (“OCL”)

Corporate Information

OCL was incorporated on January 10, 1996 under the Companies Act as Ospray Commercial Private Limited. The name of the company was changed to OCL on September 18, 2008 upon conversion into a public limited company. The registered office of OCL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of OCL provide that OCL can *inter alia* undertake the business of trading, selling, buying, marketing, distributing and dealing in all kinds of consumer products.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% of the equity share capital of OCL.

68. Penguin Distributors Private Limited (“PDPL”)

Corporate Information

PDPL was incorporated on March 23, 2007 under the Companies Act. The registered office of PDPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of

the memorandum of association of PDPL provide that PDPL can *inter alia* undertake is engaged in the business of trading, selling, buying, marketing, distributing and dealing in industrial tools, metals and consumer products.

Interest of the Promoters

Our Promoters and relatives of Manoj Jayaswal together hold 92.18% in the equity share capital of PDPL.

69. Professional HR Services Private Limited (“PHRSPL”)

Corporate Information

PHRSPL was incorporated on December 22, 2010 under the Companies Act. The registered office of PHRSPL is located at EN1, Insignia Towers, 3rd Floor, Salt Lake, Kolkata, West Bengal. The main objects of the memorandum of association of PHRSPL provide that PHRSPL can *inter alia* act as advisors, manpower consultants and enter into any arrangement for project(s) / offices involving supply of human resources including but not restricted to technical, non technical, civil, financial, administrative and experience in organisation, planning, administration, personnel, finance and accounting, marketing, market research, economic planning, house-keeping, security, manpower recruitment and other allied and related services and as such undertake for and on behalf of client to set up any kind of project(s).

Interest of the Promoters

Manoj Jayaswal and his relatives together hold 100% of the equity share capital of PHRSPL.

70. Ramdeobaba Impex Private Limited (“RIPL”)

Corporate Information

RIPL was incorporated on May 27, 1999 under the Companies Act. The registered office of RIPL is located at 39, Ambazari Layout, Nagpur, Maharashtra. The main objects of the memorandum of association of RIPL provide that RIPL can *inter alia* undertake the business of import, export, purchase, selling, dealing in goods, merchandise, equipments and devices capable of generating and distributing electricity.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 90.91% of the equity share capital of RIPL.

71. Regal Energy Limited (“REL”)

Corporate Information

REL was incorporated on December 9, 2009 under the Companies Act as Regal Ispat and Mining Limited. The name of the company was changed to REL on July 16, 2010. The registered office of REL is located at Insignia Towers, EN1, 3rd Floor, Salt Lake, Sector-5 Kolkata 700 091, West Bengal. The main objects of the memorandum of association of REL provide that REL can *inter alia* undertake the business of developing, maintaining and operating facilities for the generation, transmission and distribution of electricity or any other form of power or energy.

Interest of the Promoters

Manoj Jayaswal and his relatives together hold 99% equity share capital of REL.

72. R.M.G.Super Conductors Limited (“RSCL”)

Corporate Information

RSCL was incorporated on January 2, 1995 under the Companies Act. The registered office of RSCL is located at 33- Jagran Bhavan, Press Complex, M. P. Nagar, Bhopal. The main objects of the memorandum of association of RSCL provide that RSCL can *inter alia* undertake as business as manufacturers, importers, exporters, fabricators, dealers, agents, distributors, assemblers of open and insulated conductors, electrical conductors, electrical cables, telephone cables, rubber insulated cores flexible electrical wires, galvanized wires, high tension carbon wire, domestic and commercial items, apparatus and things required in connection with the manufacture of the above or for the generation, accumulation, distribution, supply of electricity, electrical and electronic items apparatus or things or both for domestic and commercial industrial uses.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 50% of the equity share capital of RSCL.

73. Rupayan Agencies Private Limited (“RAPL”)

Corporate Information

RAPL was incorporated on December 4, 2008 under the Companies Act. The registered office of RAPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of RAPL provide that RAPL can *inter alia* undertake as business as buyers, sellers, traders and merchants of all kinds of woods, timber and timber products, gems and jewellery, plastic and plastic goods, electric and electronic components.

Interest of the Promoters

Companies controlled by our Promoters together hold 100% of the equity share capital of RAPL.

74. Sargam Infraprojects Private Limited (“SIPL”)

Corporate Information

SIPL was incorporated on March 10, 2010 under the Companies Act as Sargam Vintrade Private Limited. The name of the company was changed to Sargam Infraprojects Private Limited on June 25, 2010. The registered office of SIPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of SIPL provide that SIPL can *inter alia* undertake the business of generation, transmission, distribution, supply and sale of power.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 100% of equity capital of SIPL.

75. Shivangan Vanijya Private Limited (“SVPL”)

Corporate Information

SVPL was incorporated on March 23, 2007 under the Companies Act. The registered office of SVPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of SVPL provide that SVPL can *inter alia* undertake business as buyers, sellers, traders, merchants, indentors, brokers, agents, commission agents, packers, stockiest, brokers and sub-brokers, distributors, advisors of all kinds of tools, equipments and machineries, commercial goods, iron materials and every other type of iron and steel material, aluminum, ferrous and non-ferrous metals.

Interest of the Promoters

Our Promoters and relatives of Manoj Jayaswal together hold 90.12% of the equity share capital of SVPL.

76. Splendor Power Limited (“SPL”)

SPL was incorporated on January 13, 2006 under the Companies Act as Splendor Agents Private Limited. The name of the company was changed to Splendor Agents Limited on September 18, 2008 upon conversion into a public limited company and subsequently to SPL on October 14, 2009. The registered office of SPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of SPL provide that SPL can *inter alia* undertake the business of generation, transmission, distribution, supply and sale of power.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% of the equity share capital of SPL.

77. Supreme Powgen Limited (“SuPL”)

Corporate Information

SuPL was incorporated on October 13, 2010 under the Companies Act. The registered office of SuPL is located at EN1, Insignia Towers, 3rd Floor, Sector V, Salt Lake, Kolkata, West Bengal. The main objects of the memorandum of understanding of SuPL provide that SuPL can undertake the business of developing, maintaining and operating facilities for generating or generation, transmission and distribution of electricity or any other form of power or energy.

Interest of the Promoters

Manoj Jayaswal and his relatives together hold 27% of the equity share capital of SuPL.

78. Suvidha Infraprojects Limited (“SIL”)

Corporate Information

SIL was incorporated on September 20, 2005 under the Companies Act as Suvidha Vanijya Private Limited. The name of the company was changed to Suvidha Infraprojects Private Limited on November 26, 2009 and subsequently to SIL on January 22, 2010 upon conversion into a public limited company. The registered office of SIL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of SIL provide that SIL can *inter alia* undertake business as buyers, sellers, traders, distributors and merchants of household goods, consumerable durable items, industrial goods of all kinds and merchandise.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% of the equity share capital of SIL.

79. Tigerhill Marketing Private Limited (“TMPL”)

Corporate Information

TMPL was incorporated on March 31, 2010 under the Companies Act. The registered office of TMPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of TMPL provide that TMPL can *inter alia* undertake business as

distributors, agents, traders, merchants, contractors, brokers and otherwise deal in merchandise and articles of all kinds including as clearing agents, freight contractors, forwarding agents, licensing agents and general brokers.

Interest of the Promoters

Manoj Jayaswal and his relatives together hold 100% equity share capital of TMPL.

80. Titan Minerals and Steel Limited (“TMSL”)

TMSL was incorporated on December 9, 2009 under the Companies Act. The registered office of TMSL is located at Insignia Tower, EN1, 3rd Floor, Salt Lake, Sector 5, Kolkata, West Bengal. The main objects of the memorandum of association of TMSL provide that TMSL can *inter alia* undertake the business of mining, exploring, extracting, generating, enriching, accumulating, selling, distributing, undertaking survey, drilling, preparing mining plan and the developing mines of any description.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 99% equity share capital in TMSL.

81. Ultra Castings Limited (“UCL”)

Corporate Information

UCL was incorporated on April 14, 2011, under the Companies Act. The registered office of UCL is located at Insignia Tower, EN1, 3rd Floor, Sector V, Salt Lake City, Kolkata, West Bengal. The main objects of the memorandum of association of UCL provides that UCL can *inter alia* undertake business as manufacturers exporters, importers, buyers, sellers, agents and dealers in casting of all kinds and description of iron and steel, their products, intermediate products and by-products.

Interest of the Promoters

Our Promoters, companies controlled by them and relatives of Manoj Jayaswal together hold 100% equity share capital in UCL.

82. Vector Mining Limited (“VML”)

Corporate Information

VML was incorporated on October 6, 2010 under the Companies Act. The registered office of VML is located at EN1, Insignia Tower, 3rd Floor, Sector V, Salt Lake, Kolkata, West Bengal. The main objects of the memorandum of association of VML provides that VML can *inter alia* undertake the business of mining, exploring, extracting, generating, processing, enriching, accumulating, recovering, selling, distributing and apply, take on lease, acquire mining rights, implement, operate, work, undertake survey, drill, prospect, prepare mining plan, process, grade, wash, beneficiate and develop mines of any description.

Interest of the Promoters

Our Promoters and relatives of Manoj Jayaswal together hold 27% equity share capital in VML.

83. Vishakha Power Limited (“VPL”)

Corporate Information

VPL was incorporated on July 28, 2006 under the Companies Act as Megacity Ashiana Private Limited. The name of the company was changed to Vishakha Power Private Limited on May 21, 2010 and subsequently to VPL on June 22, 2010 upon conversion to a public limited company. The registered office of VPL is located at Asha Chamber, EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of VPL provide that VPL can *inter alia* undertake the business of generation, transmission, distribution, supply and sale of power.

Interest of the Promoters

Companies controlled by our Promoters together hold 100% of the equity share capital of VPL.

84. Vriddhi Power Limited (“VPrL”)

Corporate Information

VPrL was incorporated on May 19, 2006 under the Companies Act as Megacity Kutir Private Limited. The name of the company was changed to Vriddhi Power Private Limited on May 4, 2010 and subsequently to VPL on June 14, 2010 upon conversion into a public limited company. The registered office of VPrL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of VPrL provide that VPrL can *inter alia* undertake the business of generation, transmission, distribution, supply and sale of power.

Interest of the Promoters

Companies controlled by our Promoters together hold 100% of equity share capital of VPrL.

85. Vulcun Power Limited (“VIPL”)

Corporate Information

VIPL was incorporated on July 19, 2007 under the Companies Act as Newtown Hi-rise Private Limited. The name of the company was changed to Vulcun Power Private Limited on November 16, 2009 and subsequently to VIPL on February 15, 2010 upon conversion into a public limited company. The registered office of VIPL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of VIPL provide that VIPL can *inter alia* undertake the business of generation, transmission, distribution, supply and sale of power.

Interest of the Promoters

Companies controlled by our Promoters together hold 100% of the equity share capital of VIPL.

86. ZEN Infracon Limited (“ZIL”)

Corporate Information

ZIL was incorporated on July 13, 2007 under the Companies Act as New Town Realty Private Limited. The name of the company was changed to Zen Infracon Private Limited on November 6, 2009 and subsequently to ZIL on February 1, 2010 upon conversion into a public limited company. The registered office of ZIL is located at EN1, Insignia Tower, 3rd Floor, Salt Lake, Sector V, Kolkata, West Bengal. The main objects of the memorandum of association of ZIL provide that ZIL can *inter alia* undertake the business of generation, transmission, distribution, supply and sale of power.

Interest of the Promoters

Our Promoters and companies controlled by them together hold 100% of the equity share capital of ZIL.

E. Trust forming part of Group Companies

1. Abhijeet Benefit Trust (“ABT”)

Corporate Information

ABT was formed vide deed dated August 6, 2009 for the benefit of Abhijeet Jayaswal.

Interest of the Promoters

Abhijeet Jayaswal is the beneficiary of ABT and the trustees of ABT are Arihant Jain and Sonal Jayaswal.

2. Abhijeet Foundation (“AF”)

Corporate Information

AF was formed vide deed dated August 21, 2008 for the purpose of upliftment of underprivileged class of the society and for empowerment of people of all classes.

Interest of the Promoters

The trustees of AF are Manoj Jayaswal, Abhishek Jayaswal, Abhijeet Jayaswal, Sonal Jayaswal and Swati Jayaswal.

3. Abhijeet Trust (“AT”)

Corporate Information

AT was formed vide deed dated August 6, 2009 for the benefit of Abhijeet Jayaswal.

Interest of the Promoters

Abhijeet Jayaswal is the beneficiary of AT and the trustees of AT are Abhishek Jayaswal and Arihant Jain.

4. Abhishek Beneficiary Trust (“AbBT”)

Corporate Information

AbBT was formed vide deed dated August 4, 2009 for the benefit of Abhishek Jayaswal.

Interest of the Promoters

Abhishek Jayaswal is the beneficiary of AbBT and the trustees of AbBT are Sonal Jayaswal and Santosh Jain.

5. Abhishek Benefit Trust (“ABeT”)

Corporate Information

ABeT was formed vide deed dated August 4, 2009 for the benefit of Abhishek Jayaswal.

Interest of the Promoters

Abhishek Jayaswal is the beneficiary of ABeT and the trustees of ABeT are Sonal Jayaswal and Lalita Jain.

6. Abhishek Family Trust (“AFT”)

Corporate Information

AFT was formed vide deed dated August 4, 2009 for the benefit of Abhishek Jayaswal.

Interest of the Promoters

Abhishek Jayaswal is the beneficiary of AFT and the trustees of AFT are Manoj Jayaswal and Santosh Jain.

7. Abhishek Trust (“AbT”)

Corporate Information

AbT was formed vide deed dated August 4, 2009 for the benefit of Abhishek Jayaswal.

Interest of the Promoters

Abhishek Jayaswal is the beneficiary of AbT and the trustees of AbT are Manoj Jayaswal and Lalita Jain.

8. The Jayaswal Basant Lall Shaw Family Trust (“TJBSFT”)

Corporate Information

TJBSFT was formed vide deed dated March 31, 2003 for the purpose of benefit of the beneficiaries, being the members/lineal male descendants of the Shaw-Jayaswal family.

Interest of the Promoters

Our Promoter, Manoj Jayaswal, and his lineal male descendants, who are lineal male descendants of the family of Basant Lall Shaw, are beneficiaries of TJBSFT and the trustees of TJBSFT are Basant Lall Shaw, Arbind Jayaswal, Manoj Jayaswal, Ramesh Jayaswal and Madan Mohan Vyas.

Although Manoj Jayaswal, our Promoter, is a beneficiary of the TJBSFT, his beneficial interest (along with those of his lineal male descendants) aggregates to 25 per cent, while 75 per cent of beneficial interest lies with such immediate relatives from whom Manoj Jayaswal has disassociated himself. Accordingly, the aforesaid information regarding TJBSFT and the representations made in relation to compliance with securities laws and RBI regulations on TJBSFT's behalf are to the best of knowledge of Manoj Jayaswal and our Company, after due and proper enquiry from publicly available sources.

Companies forming part of the Group Companies

None of the companies forming part of the Group Companies is a sick company under the meaning of SICA and except for AINL, none of them are under winding up. None of our Group Companies have negative net worth. Further, all the Group Companies are unlisted companies and they have not made any public issue of securities in the preceding three years. The information provided in this section is as of the date of this Draft Red Herring Prospectus, unless specified herein.

Nature and Extent of Interest of Promoters and Group Companies

(a) In the promotion of our Company

Except to the extent of the shareholding of the Promoters and except for transactions disclosed as related

party transactions, none of our Group Companies have any interest in the promotion of our Company.

(b) *In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with SEBI*

Neither our Promoters nor any of our Group Companies is interested in the properties purchased by our Company or our Subsidiaries and Joint Ventures in the two years preceding the filing of the Draft Red Herring Prospectus or proposed to be purchased by our Company, our Subsidiaries and Joint Ventures. Growth Infinite, a partnership firm forming part of our Promoter Group has entered into leave and license arrangements with our Group Companies, our Subsidiaries and Joint Ventures.

(c) *In transactions for acquisition of land, construction of building and supply of machinery*

Except as disclosed in the section “Related Party Transactions” on page 288 and below, neither our Promoters nor any of our Group Companies is interested in any transactions for the purchase of land, construction of building or supply of machinery.

Common Pursuits amongst the Group Companies and Associate Companies with our Company

Except as disclosed above, none of the Group Companies are engaged in the same line of business as our 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 our Company

For details, please see “Related Party Transactions” on page 288.

Sale/Purchase between Group Companies, Subsidiaries and Associate Companies (exceeding 10% in aggregate of the total sales or purchases of our Company)

For details, please see “Related Party Transactions” on page 288.

Business Interest of Group Companies, Subsidiaries and Associate Companies in our Company

We have entered into certain business contracts with our Promoters and Group Companies. For details, please see “Description of Certain Key Contracts” and “Related Party Transactions” on pages 151 and 288 respectively. We may continue to enter into such business contracts with our Promoters, Group Companies, Subsidiaries and Associate Companies in the future. Except as stated above, none of our Group Companies has any business interest in our Company.

Defunct Group Companies

None of our Group Companies remain defunct and no application has been made to the registrar of companies for striking off the name of any of our Group Companies during the five years preceding the date of filing the Draft Red Herring Prospectus with SEBI.

Public issue or rights issue

None of our Group Companies has made any public or rights issue in the last three years preceding the date of filing the Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, please see “Financial Statements” on page 290.

DIVIDEND POLICY

The declaration and payment of dividend will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. Our Company has no stated dividend policy.

The Company has not paid/ declared any dividends for Financial Year 2009-10, 2008-09, 2007-08, 2006-07, 2005-06 and for nine months of 2010 for any class of Shares.

FINANCIAL STATEMENTS

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,

The Board of Directors
Abhijeet Power Limited,
(Formerly known as Abhijeet Infrastructure Capital Pvt Ltd.)
Insignia Towers, EN 1, Sector – V,
Salt Lake, Kolkata 700 091.
West Bengal, India.

Dear Sirs,

1. In connection with the proposed Initial Public Offering (the “IPO”) of Equity Shares of Abhijeet Power Limited (the “Company”) and in terms of our engagement letter dated October 16, 2010, we have examined the Restated Consolidated Summary Statements (as defined in paragraph 4 below) of the Company, its subsidiaries, and its jointly controlled entities (the Company, its subsidiaries and jointly controlled entities collectively referred to herein as the “Group”) as at and for the period ended Dec 31, 2010 and year ended March 31, 2010, annexed to this report and initiated by us for the purpose of identification.
2. The Restated Consolidated Summary Statements are prepared by the Company and approved by the Board of Directors in accordance with the requirement of :
 - a. Paragraph B of Part II of Schedule II of the Companies Act, 1956, (the “Act”);
 - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (the “ICDR Regulations”), notified by Securities and Exchange Board of India (“SEBI”) and amendments thereto, in pursuance of section 11A (1) (a) of the Securities and Exchange Board of India Act, 1992 to the extent applicable; and
 - c. The Guidance note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India.
3. Our examination was conducted in accordance with the applicable generally accepted auditing standards in India prescribed by the Institute of Chartered Accountants of India (“ICAI”).

Restated Consolidated Summary Statements:

4. In accordance with requirements of Part II (B) of Schedule II of the Act and the ICDR Regulations and terms of our engagement agreed with you, we have examined:
 - i. the “Summary Statement of Consolidated Assets and Liabilities - Restated” of the Group as at Dec 31, 2010 and March 31, 2010 (Annexure I);
 - ii. the “Summary Statement of Consolidated Profit and Loss Account - Restated” of the Group for the period ended Dec 31, 2010 and year ended March 31, 2010 (Annexure II); and
 - iii. the “Summary Statement of Consolidated Cash Flows - Restated” of the Group for the for the period ended Dec 31, 2010 and year ended March 31, 2010 (Annexure III).

together referred to as “Restated Consolidated Summary Statements”

5. These Restated Consolidated Summary Statements have been extracted from Audited Consolidated Financial Statements of the Group as at and for period ended Dec 31, 2010 and for the year ended March 31, 2010, which have been approved by the Board of Directors, and audited by us.

A. The “Restated Consolidated Summary Statements” have to be read in conjunction with the Significant

Accounting Policies and Notes to the Restated Consolidated Summary Statements” (Annexure XIX);

- B. The “Restated Consolidated Summary Statements” reflect the retrospective effect of Significant Accounting Policies adopted by the Group as at and for the period ended Dec 31, 2010 and for the year ended March 31, 2010;
 - C. The restated Profits/Losses have been arrived at after charging all expenses including depreciation and after making such adjustments and regroupings, as in our opinion are appropriate, in the year to which they relate;
 - D. There are no extraordinary items that need to be disclosed separately in the Restated Consolidated Summary Statements and
 - E. Without qualifying our opinion, we draw your attention to :-
 - Note B in annexure XIX to the restated consolidated financial information “Material Adjustments” regarding charging off preliminary expenses and certain other administrative expenses to the “Summary Statement of consolidated Profit and Loss Account – Restated”, for the limited purpose of inclusion in the Draft Red Herring Prospectus (DRHP) as against the same shown in the audited unconsolidated financial statements under (i) “Miscellaneous Expenses (to the extent not written off or adjusted)” and (ii) Pre-operative expenses.
6. We have also examined the following Consolidated Other Financial Information (Restated) of the Company for the period ended Dec 31, 2010 and year ended March 31, 2010, which is proposed to be included in the Draft Red Herring Prospectus (DRHP), as approved by the Board of Directors of the Company and annexed to this report:-
- i. Details of Fixed Assets as at Dec 31, 2010 and March 31, 2010 (Annexure IV);
 - ii. Details of Investments as at Dec 31, 2010 and March 31, 2010 (Annexure V);
 - iii. Details of Inventories as at Dec 31, 2010 and March 31, 2010 (Annexure VI);
 - iv. Details of Sundry Debtors as at Dec 31, 2010 and March 31, 2010 (Annexure VII);
 - v. Details of Cash and Bank Balances as at Dec 31, 2010 and March 31, 2010 (Annexure VIII);
 - vi. Details of Loans and Advances as at Dec 31, 2010 and March 31, 2010 (Annexure IX);
 - vii. Details of Secured Loans as at Dec 31, 2010 and March 31, 2010 (Annexure X);
 - viii. Details of Unsecured Loans as at Dec 31, 2010 and March 31, 2010 (Annexure XI);
 - ix. Details of Current Liabilities & Provisions as at Dec 31, 2010 and March 31, 2010 (Annexure XII);
 - x. Details of Share Capital as at Dec 31, 2010 and March 31, 2010 (Annexure XIII);
 - xi. Details of Reserves and Surplus as at Dec 31, 2010 and March 31, 2010 (Annexure XIV);
 - xii. Details of Other Income for the period ended Dec 31, 2010 and year ended March 31, 2010 (Annexure XV)
 - xiii. Details of Remuneration and Benefits to Employees for the period ended Dec 31, 2010 and year ended March 31, 2010 (Annexure XVI)
 - xiv. Details of Administrative, Selling and Other Expenses for the period ended Dec 31, 2010 and year ended March 31, 2010 (Annexure XVII)
 - xv. Details of Interest and Financial Charges for the period ended Dec 31, 2010 and year ended March 31, 2010 (Annexure XVIII)
 - xvi. Statement of Accounting Ratios for the period ended Dec 31, 2010 and year ended March 31, 2010 (Annexure XX);
 - xvii. Statement of Tax Shelter for the year ended period ended Dec 31, 2010 and year ended March 31, 2010 (Annexure XXI)
 - xviii. Capitalisation Statement as at Dec 31, 2010 (Annexure XXII);
 - xix. Details of Rates of Dividend for the period ended Dec 31, 2010 and year ended March 31, 2010 (Annexure XXIII);
 - xx. Details of Related Party Disclosure for period ended Dec 31, 2010 and year ended March 31, 2010 as appearing in Note C (14) Annexure XIX.
 - xxi. Statement of Reconciliation of Consolidated Profits/Losses for the period ended Dec 31, 2010 and year

ended March 31, 2010 (Annexure XXIV);

together referred to as “**Consolidated Other Financial Information**”

7. In our opinion, the Restated Consolidated Summary Statements and Consolidated Other Financial Information mentioned in paragraph (4) & (6) above, read with Significant Accounting Policies and Notes as annexed to this report and after making such adjustments as are considered appropriate and read with our comments in paragraph 5 (E) above have been prepared in accordance with Part II (B) of Schedule II of the Act and the ICDR Regulations.
8. This report should not, in any way, be construed as a reissuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.
9. This report is intended solely for your information and for inclusion in the DRHP in connection with the proposed IPO of Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Chaturvedi Sohan & Co.
Chartered Accountants
(Registration No. 118424 W)

Sohan Chaturvedi
Partner
Membership No. 31760

Place: Nagpur
Date: 9th May 2011

Annexure – I

Summary Statement of Consolidated Assets and Liabilities-Restated

Particulars	Annexure	As At 31.12.2010	As At 31.03.2010
		₹ in million	₹ in million
Fixed Assets	IV		
Gross Block		973.60	424.48
Less: Accumulated Depreciation		11.39	6.13
Net Block		962.21	418.35
Capital Work-in- Progress		28745.69	11585.62
		29707.90	12003.97
Goodwill on Consolidation		9346.56	9346.56
Investments	V	14.08	357.55
Current Assets, Loans and Advances			
Interest Accrued and Due		-	3.71
Inventories	VI	38.99	1.04
Sundry Debtors	VII	218.33	1.48
Cash and Bank Balances	VIII	2372.33	1791.08
Loans and Advances	IX	2100.99	1207.02
		4730.64	3004.33
Total (A)		43799.18	24712.41
Share Application Money Received		882.28	487.40
Shares Reserve for allotment by Subsidiary		119.42	-
Deferred Tax Liabilities		0.41	0.01
Liabilities and Provisions			
Secured Loans	X	16413.33	8468.18
Unsecured Loans	XI	3044.82	30.27
Current Liabilities	XII	3008.89	1950.69
Provisions	XII	21.25	7.99
		22488.29	10457.13
Total (B)		23490.40	10944.54
NET WORTH	A-B	20308.78	13767.87
Net worth represented by			
Equity Share Capital	XIII	14627.84	238.94
Share Capital Suspense Account		-	10086.62
Reserves & Surplus	XIV	5400.17	3230.06
Minority Interest		318.71	212.25
Miscellaneous Expenditure		(37.94)	-
NET WORTH		20308.78	13767.87

Note: The above statement should be read with the Significant Accounting Policies and Notes to Summary Statement of Consolidated Assets and Liabilities, Summary Statement of Consolidated Profit and Loss Account and Statement of Consolidated Cash Flows as appearing in Annexure XIX.

Annexure – II

Summary Statement of Consolidated Profit and Loss Account-Restated

Particulars	Annexure	Period ended	Year ended
		31.12.2010	31.03.2010
		₹ in million	₹ in million
INCOME			
Sales		252.60	-
Other Income	XV	104.93	2.85
TOTAL		357.53	2.85
EXPENDITURE			
Purchase of Traded Goods		247.06	-
Remuneration and Benefits to Employees	XVI	10.10	-
Administrative and Other Expenses	XVII	15.04	1.19
Interest and Financial charges	XVIII	53.67	0.19
Depreciation		2.23	-
TOTAL		328.10	1.38
Profit Before Extraordinary Items		29.43	1.47
Extraordinary Item		-	-
Profit before tax		29.43	1.47
Provision for Tax -Current Tax		6.73	0.87
-Deferred Tax		0.40	-
Profit after tax before Minority Interest		22.30	0.60
Minority Interest		3.38	-
Balance brought forward		1.32	0.72
Balance carried to Balance Sheet		20.24	1.32

Note: The above statement should be read with the Significant Accounting Policies and Notes to Summary Statement of Consolidated Assets and Liabilities, Summary Statement of Consolidated Profit and Loss Account and Statement of Consolidated Cash Flows as appearing in Annexure XIX.

Annexure – III

Summary Statement of Consolidated Cash Flows - Restated

	Particulars	Period ended	Year ended
		31.12.2010	31.03.2010
		₹ in million	₹ in million
A.	Cash Flow from Operating Activities		
	Net Profit before tax as per Profit and Loss Account	29.43	1.47
	<u>Adjustments for :</u>		
	Depreciation	2.23	-
	Interest Received	(77.75)	-
	Interest Paid	53.67	0.19
	Dividend Received	(0.33)	-
	Profit on Sale of Investment	(20.21)	-
	Operating Profit before Working Capital Change	(12.96)	1.66
	<u>Adjustments for :</u>		
	Trade and Other Receivables	(1090.72)	(0.12)
	Increase in Inventories	(37.95)	-
	Trade Payables	1064.79	6.56
	Cash generated from Operations	(76.84)	8.10
	Direct taxes paid (including TDS) / Refund	(16.39)	(0.52)
	Deferred Revenue Expenditure	(37.95)	-
	Net Cash Flow from Operating Activities	(131.18)	7.58
B.	Cash Flow from Investing Activities		
	Increase in Fixed Assets	(326.62)	-
	Increase in Capital Work-in- Progress	(17157.04)	-
	Sale of Investments	377.76	-
	Purchase of Investments	(14.08)	(74.09)
	Interest Received	77.75	-
	Dividend Received	0.33	-
	Investment in Share Application Money	-	(204.18)
	Net Cash Flow from Investing Activities	(17041.90)	(278.27)
C.	Cash Flow from Financing Activities		
	Proceeds from allotment of Share Capital including Share Premium	6453.42	287.29
	Share Application Money Received	394.88	17.50
	Secured Loan	7875.15	-
	Short Term Loans	3084.55	(49.96)
	Interest Paid	(53.67)	(0.19)
	Net Cash Flow from Financing Activities	17754.33	254.64
	Net Increase in Cash and Cash Equivalents	581.25	(16.05)
	Cash and Cash Equivalents (Opening Balance)	0.28	16.33
	Acquired pursuant to the Scheme of arrangement	1790.80	-
		1791.08	16.33
	Cash and Cash Equivalents (Closing Balance)	2372.33	0.28
	Net Increase	581.25	(16.05)

Note:

- The above statement should be read with the Significant Accounting Policies and Notes to Summary Statement of Consolidated Assets and Liabilities, Summary Statement of Consolidated Profit and Loss Account and Statement of Consolidated Cash Flows as appearing in Annexure XIX.
- Transaction arising on account of Amalgamation of Abhijeet Infra Limited with the Company along with their effect on consolidation, being non cash transactions, are not considered for the purpose of Cash Flow Statement.

3. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements".
4. Figures in brackets indicate Outflows.

Annexure – IV

DETAILS OF FIXED ASSETS

	Particulars	Gross Block as at 31.12.10 (1)	Gross Block of Joint Venture as at 31.12.10 (2)	Gross Block as at 31.03.10 (3)	Gross Block of Joint Venture as at 31.03.10 (4)	Depreciation as at 31.12.10 (5)	Depreciation of Joint Venture as at 31.12.10 (6)	Depreciation as at 31.03.10 (7)	Depreciation of Joint Venture as at 31.03.10 (8)	Net Block as at 31.12.10 (9)=(1+2-5-6)	Net Block as at 31.03.10 (10)=(3+4-7-8)
A	Tangible Assets										
	Freehold Land	352.13	257.83	194.66	161.95	-	-	-	-	609.96	356.61
	Leasehold Land	268.42	-	40.72	-	-	-	-	-	268.42	40.72
	Plant and Machinery	39.17	-	-	-	0.83	-	-	-	38.34	-
	Office Equipments	5.95	7.18	3.11	2.60	0.45	0.60	0.32	0.31	12.08	5.08
	Furniture and Fixtures	1.68	2.85	1.39	2.71	0.29	0.56	0.18	0.42	3.68	3.50
	Computers	6.61	8.80	2.56	2.73	1.11	1.64	0.68	1.00	12.66	3.61
	Vehicles	4.36	9.24	0.04	3.18	0.17	1.12	0.01	0.84	12.31	2.37
	Sub-total	678.32	285.90	242.48	173.17	2.85	3.92	1.19	2.57	957.45	411.89
B	Intangible Assets										
	Software	6.34	3.03	6.34	2.47	2.44	2.17	0.85	1.50	4.76	6.46
	Sub-total	6.34	3.03	6.34	2.47	2.44	2.17	0.85	1.50	4.76	6.46
	Grand Total (A+B)	684.66	288.93	248.82	175.64	5.29	6.09	2.04	4.07	962.21	418.35
					As at 31.12.2010		As at 31.03.2010				
C	Capital Work-in- Progress				19816.96		9157.79				
	Share of Capital Work in progress in Joint Venture				8928.73		2427.83				
	Total				28745.69		11585.62				

Annexure – V

Details of Investments

Particulars	As at 31.12.2010	As at 31.03.2010
	₹ in million	₹ in million
CURRENT INVESTMENTS		
In Equity Shares (Other than Trade, Unquoted)		
In Subsidiaries		
Nil (Previous Year 25,500) Equity Shares of ₹ 10/- each fully paid up of Abhijeet North Eastern Projects Limited	-	0.26
Nil (Previous Year 38,000) Equity Shares of ₹ 10/- each fully paid up of Abhijeet Bengal Green Energy Limited	-	0.38
Nil (Previous Year 38,000) Equity Shares of ₹ 10/- each fully paid up of Abhijeet Bengal Hydel Energy Limited	-	0.38
Others		
Nil (Previous Year 13,551,720) Equity Shares of ₹ 10/-each		
fully paid up of Jas Toll Road Company Limited, value of Shares is inclusive of amount paid towards value of right	-	138.35
Nil (Previous Year 1,440,000) Equity Shares of ₹ 10/- each fully paid up of Jayaswals Ashoka Infrastructure Private Limited	-	14.40
In Mutual Funds		
SBI MF Magnum Gilt Fund (35232.655 unit of ₹ 18.44 each)	-	0.65
Reliance Money Manager Fund Instant Plan Growth (11953.337 units of ₹ 1254.83 each)	-	15.00
Reliance Interval Fund (2667209.781 units of ₹ 12.42 each)	-	33.12
Axis Treasury Advantage Fund (9833.31 units of ₹ 1017.64 each)	-	10.01
Axis Liquid Fund Institution Growth (44217.48 units of ₹ 1017.70 each)	-	45.00
DSP BR Floating Rate Fund (1016593 units of ₹ 14.64 each)	-	15.00
Kotak Flexi Debt Institutional growth (2212904.73 units of ₹ 11.30 each)	-	25.00
Birla Sunlife Cash Plus Institutional Growth (403164 units of ₹ 24.80 each)	-	10.00
Birla Sunlife Saving Fund Institutional Growth (1146676.35 units of ₹ 17.44 each)	-	20.00
HDFC Cash Management Fund Treasure Advantage plan (497527.29 units of ₹ 20.10 each)	-	10.00
HDFC Floating Rate Income Fund Short term Plan (640356.55 units of ₹ 15.62 each)	-	10.00
HDFC Liquid Growth Fund (550076.19 units of ₹ 18.18 each)	-	10.00
Religare Monthly Income Plan Plus- Growth (100000 units of ₹ 10/- each, Previous Year: Nil)	1.00	-
SBI Magnum Insta Cash Fund – Daily Dividend Option (288346.094 units of ₹ 16.75 each, Previous Year: Nil)	4.83	-
Axis Income Saver Fund Growth (100000 units of ₹ 10/- each, Previous Year: Nil)	1.00	-
Share of Investment in Joint Venture		
SBI Magnum Insta Cash Fund - Daily Dividend Option (432724.316 units of ₹ 16.75 each, Previous Year: Nil)	7.25	-
Total	14.08	357.55

Annexure – VI

Details of Inventories

Particulars	As at 31.12.2010	As at 31.03.2010
	₹ in million	₹ in million
(As taken, valued and certified by the Management)		
Share of Stores and Spares in Joint Venture	3.81	1.04
Raw Materials for Trial Run	35.18	-
Total	38.99	1.04

Annexure – VII

Details of Sundry Debtors

Particulars	As at 31.12.2010	As at 31.03.2010
	₹ in million	₹ in million
Sundry Debtors		
(Unsecured and Considered good)		
Exceeding Six Months	0.36	-
Other Debts	217.97	1.48
Total	218.33	1.48
Amount due to Promoters/ Promoters Group Companies/ Subsidiaries/ Associates and Directors :	3.27	-
Sundry Debtors include ₹ 3.27 million due from Abhijeet Infrastructure Limited, a Company in which Directors are interested.		

Annexure – VIII

Details of Cash and Bank Balances

Particulars	As at 31.12.2010	As at 31.03.2010
	₹ in million	₹ in million
Cash on Hand	0.73	0.17
Bank Balances with Scheduled Banks		
In Current Accounts	1681.85	1540.04
In Fixed Deposit Accounts *	280.71	193.23
Share of Cash and Bank balances in Joint Venture *	409.04	57.64
Total	2372.33	1791.08

* ₹157.48 million (Previous Year ₹199.96 million) included in Fixed Deposits are pledged with Banks/Financial Institutions.

Annexure – IX

Details of Loans and Advances

Particulars	As at 31.12.2010	As at 31.03.2010
	₹ in million	₹ in million
(Unsecured and Considered good)		
Inter-corporate Deposit	796.37	-
Advances recoverable in cash or in kind or for value to be		
Received	892.46	139.94
Share Application Money Paid	-	932.98
Balance with Central Excise Authorities	165.30	96.95
Advance Income Tax	18.57	2.15
Advance Fringe Benefits Tax	0.24	0.27
Prepaid Expenses	21.97	27.42
Deposits	122.86	2.40
Share of Loans & Advances in Joint Venture	83.22	4.91
Total	2100.99	1207.02
Amount due from Promoters/ Promoters Group Companies/ Subsidiaries/ Associates and Directors :	796.37	994.42
Share Application Money Paid		
Corporate Power Limited	-	932.98
Advances recoverable in cash or in kind		
Abhijeet Projects Limited	-	58.85
Corporate Ispat Alloys Limited	-	2.29
Abhijeet Natural Resources Private Limited	-	0.29
Abhijeet Infrastructure Limited	-	0.01
Inter-corporate Deposit		
Corporate Power Limited	796.37	-
	796.37	994.42

Annexure – X

Details of Secured Loans

	Particulars	As at 31.12.2010	As at 31.03.2010
		₹ in million	₹ in million
1	Term Loans :		
	From Financial Institutions		
	Rupee Term Loans	1500.00	904.58
	Share of Loan in Joint Venture	1477.68	-
	Foreign Currency Loans	818.24	346.67
		3795.92	1251.25
	From Banks		
	Rupee Term Loans	9411.23	5463.43
	Share of Loan in Joint Venture	2712.66	1301.43
	Foreign Currency Loans	-	194.40
		12123.89	6959.26
2	Buyers Credit	416.10	257.33
3	Working Capital Loan	70.00	-
4	Vehicle Loans	1.65	-
	Share of Vehicle Loans in Joint Venture	5.77	0.34
		7.42	0.34
	Total	16413.33	8468.18

- i) Term Loans of ₹ 10229.47 million (Previous Year ₹ 6909.08 million), Buyers Credit of ₹ 416.10 million (Previous Year ₹ 257.33 million) and working capital loan of ₹ 70 million (Previous Year Nil) referred to in (1, 2 & 3) above are secured by way of first mortgage and charge on all immovable properties related to 271 MW coal based thermal power plant of Abhijeet MADC Nagpur Energy Private Limited (AMNEPL) both present and future situated at MIHAN including SEZ area, Village - Khaira Khurd, Nagpur and first charge on all movable properties, intangibles, receivables including operating Cash Flows of AMNEPL. These are further secured by way of pari-passu charge on intangible assets, undertakings, uncalled capital of AMNEPL and by way of pledge of 37,567,268 (Previous Year 22,740,290) Equity Shares of ₹ 10/- each of AMNEPL held by the Company jointly with a Company in which directors are interested.
- ii) The Loans referred to in (i) above, are further secured by pari passu charge by way of assignment or creation of charge in favour of Lenders of AMNEPL of all rights, title, interest, benefits, claims and demands whatsoever of AMNEPL in project documents duly acknowledged and consented to by the relevant counter parties.
- iii) These loans are further secured by irrevocable corporate guarantee of Abhijeet Infrastructure Limited, a Company in which directors are interested.
- iv) Term Loans of ₹ 4190.34 million (Previous Year ₹ 1301.43 million) referred to in (1) above are secured by way of first mortgage and charge of immovable properties of Corporate Power Limited (CPL) both present and future and hypothecation of all movable properties of CPL including movable plant and machinery, spares, tools and accessories, book debts, receivables etc both present and future. These are further secured by way of creation of charge on all the right, title, interest, benefits etc in the project documents and on Escrow Account, Trust and Retention Account, Debt Service Reserve Account etc wherever maintained, both present and future. These are secured by way of pledge of shares representing 51% of the total paid up equity share capital held by the promoter i.e. Corporate Ispat Alloys Limited.
- v) Term Loan of ₹ 1500 million (Previous Year Nil) referred to in (1) above are secured by way of pledge of 23% shares of Abhijeet MADC Nagpur Energy Private Limited. The loan is further secured by lien on fixed deposit of ₹ 60 million and mortgage of immovable properties in the name of Abhijeet Projects Limited. The loan is also secured by way of personal guarantee of one of the Directors of the Company.
- vii) Vehicle Loans referred to in (4) above are secured by the hypothecation of the vehicle financed.

Sr. No	Lenders	Particulars	Amount Outstanding as of 31.12.10 (₹ in million)	Interest rate (In % p.a.)	Repayment
1.)	SREI Infrastructure Limited ("SREI") ¹	Rupee loan agreement, dated June 30, 2010	1,500.00	SREI benchmark rate minus 1.5%	Bullet repayment at the end of three years from date of disbursement. SREI has a call option for early repayment. For details see below.
2)	Axis Bank Limited	Subordinate rupee loan agreement dated July 2, 2009, the first addendum dated October 28, 2009 and second addendum dated March 12, 2010	445.50	Axis BPLR	144 consecutive monthly installments commencing from April 2011.
3)	Axis Bank Limited ("Axis"),	Common senior rupee loan agreement, dated July 2, 2009 and the first addendum dated October 28, 2009 and second addendum dated March 12, 2010	1530.36	Axis BPLR minus 200 bps	144 consecutive monthly installments commencing from April 2011.
4)	Bank of Maharashtra ("BOM"),		501.04	Axis BPLR minus 200 bps	144 consecutive monthly installments commencing from April 2011.
5)	Indian Bank ("IB"),		496.28	Axis BPLR minus 200 bps	144 consecutive monthly installments commencing from April 2011.
6)	State Bank of Hyderabad ("SBH"),		495.87	Axis BPLR minus 200 bps	144 consecutive monthly installments commencing from April 2011.
7)	State Bank of Travancore ("SBT"),		499.98	SBT PLR plus 50 bps	144 consecutive monthly installments commencing from April 2011.
8)	UCO Bank ("UCO"),		994.67	Axis BPLR minus 200 bps	144 consecutive monthly installments commencing from April 2011.
9)	Vijaya Bank ("Vijaya")		749.37	Axis BPLR minus 200 bps	144 consecutive monthly installments commencing from April 2011.
10)	India Infrastructure Finance Company (UK) Limited ("ECB lender")	Foreign currency term loan project agreement dated October 30, 2009 and addendum to foreign currency term loan agreement dated March 25, 2010	818.24	LIBOR plus 485 bps	48 quarterly installments commencing from June 30, 2011
11)	Axis Bank Limited ("Axis"),	Additional common senior rupee loan Agreement dated March 12, 2010 and Deed of assignment,	75.38	Axis BPLR minus 200 bps	144 consecutive equal monthly instalments

Sr. No	Lenders	Particulars	Amount Outstanding as of 31.12.10 (₹ in million)	Interest rate (In % p.a.)	Repayment
		among SREI, SBM, Axis (acting as security trustee and lender's Agent) and AMNEPL, dated November 11, 2010			commencing from April 30, 2011
12)	Bank of India ("BOI")		565.21	Axis BPLR minus 200 bps	144 consecutive equal monthly instalments commencing from April 30, 2011
13)	Bank of Maharashtra ("BOM"),		295.63	Axis BPLR minus 200 bps	144 consecutive equal monthly instalments commencing from April 30, 2011
14)	State Bank of Mysore ("SBM"),		904.65	SBM PLR plus 50 bps	144 consecutive equal monthly instalments commencing from April 30, 2011
15)	State Bank of Hyderabad ("SBH"),		284.88	Axis BPLR minus 200 bps	144 consecutive equal monthly instalments commencing from April 30, 2011
16)	State Bank of Mysore ("SBM"),		496.48	SBM PLR plus 50 bps	144 consecutive equal monthly instalments commencing from April 30, 2011
17)	State Bank of Travancore ("SBT"),		294.72	SBT PLR plus 50 bps	144 consecutive equal monthly instalments commencing from April 30, 2011
18)	UCO Bank,		539.37	Axis BPLR minus 200 bps	144 consecutive equal monthly instalments commencing from April 30, 2011
19)	Vijaya Bank		241.84	Axis BPLR minus 200 bps	144 consecutive equal monthly instalments commencing from April 30, 2011
20)	Axis Bank Buyers Credit	Common senior rupee loan agreement, dated July 2, 2009 and the first addendum dated October 28, 2009 and second addendum dated March 12, 2010 and Additional common senior rupee loan Agreement dated March 12, 2010 and Deed of	13.00	Libor plus 145 bps	144 consecutive
			79.05	Libor plus 105 bps	
			27.03	Libor plus 110 bps	
			56.16	Libor plus 120 bps	

Sr. No	Lenders	Particulars	Amount Outstanding as of 31.12.10 (₹ in million)	Interest rate (In % p.a.)	Repayment
		assignment, among SREI, SBM, Axis (acting as security trustee and lender's Agent) and AMNEPL, dated November 11, 2010	75.91	Libor plus 125 bps	equal monthly instalments commencing from April 30, 2011
			112.09	Libor plus 130 bps	
			23.71	Libor plus 135 bps	
			29.15	Libor plus 135 bps	
21)	Axis Bank	Working Capital Cash Credit Limit, Sanction letter dated November 2010,	70.00	Axis bank base rate plus 3.75% p.a.	On demand
22)	Axis Bank	Vehicle loan, sanction letter dated October 23, 2010	1.65	9.35% p.a.	36 consecutive equal monthly instalments commencing from November 10, 2010

Sr. No	Lenders	Particulars	Amount Outstanding as of 31.12.10 (₹ in million)	Share in JV to the extent consolidated Amount Outstanding as of 31.12.10 (₹ in million)	Interest rate (In % p.a.)	Repayment
1)	Allahabad Bank	Common loan agreement, dated December 5, 2009 and as amended on March 25, 2010	1000.78	490.38	During CP : PLR of ALB; from COD to FSD: PLR of ALB (minus) 25 bps	40 quarterly repayments commencing from June 30 2013.
2)	Andhra Bank	for the purpose of financing the first two units (2 x 270 MW aggregating to 540 MW) of the	307.87	150.85	During CP : PLR of AB; from COD to FSD : PLR of AB (minus) 25 bps	40 quarterly repayments commencing from June 30 2013.
3)	India Infrastructure Finance Company Limited	Chandwa Power Project, 540 MW ("first two units of the Chandwa Power Project")	952.30	466.62	During CP : PLR of IIFCL; from COD to FSD : PLR of IIFCL, plus such interest spread as determined by IIFCL	40 quarterly repayments commencing from June 30 2013.
4)	Indian Bank		158.77	77.80	During CP: PLR of IB	40 quarterly repayments commencing from June

Sr. No	Lenders	Particulars	Amount Outstanding as of 31.12.10 (₹ in million)	Share in JV to the extent consolidated Amount Outstanding as of 31.12.10 (₹ in million)	Interest rate (In % p.a.)	Repayment
					plus term premium of 50 bps interest spread of (minus) 75 bps; from COD to FSD: PLR of IB plus term premium of 50 bps plus interest spread of minus 100 bps	30 2013.
5)	Rural Electrification Corporation Limited		1761.80	863.27	Present rate of interest is 11.75% with a three years reset. (Pre COD and Post COD). Interest rate for each drawdown shall be subject to reset by REC at its sole discretion at the end of every three years from date of such drawdown.	40 quarterly repayments commencing from June 30 2013.
6)	State Bank of Hyderabad		307.54	150.69	During CP: SBAR; from COD to FSD : SBAR plus interest spread of (minus) 25 bps	40 quarterly repayments commencing from June 30 2013.
7)	State Bank of India		1152.53	564.73	During CP: SBAR; from COD to FSD:	40 quarterly repayments commencing from June 30 2013.

Sr. No	Lenders	Particulars	Amount Outstanding as of 31.12.10 (₹ in million)	Share in JV to the extent consolidated Amount Outstanding as of 31.12.10 (₹ in million)	Interest rate (In % p.a.)	Repayment
					SBAR plus interest spread of (minus) 25 bps	
8)	State Bank of Patiala		445.57	218.33	During CP: PLR of SBOP plus interest spread of (minus) 50 bps; from COD to FSD: PLR of SBOP plus interest spread of (minus) 75 bps	40 quarterly repayments commencing from June 30 2013.
9)	Union Bank of India		1004.30	492.10	During CP: BPLR of UBI plus interest spread of (plus) 50 bps; from COD to FSD : PLR of UBI plus interest spread of (plus) 25 bps	40 quarterly repayments commencing from March 31, 2013.
10)	Rural Electrification Corporation Limited ("REC")	Subordinate loan agreement, dated March 23, 2010 for the purpose of financing the first two units of the Chandwa Power Project	301.60	147.78	Interest rate shall be 2% higher than interest rate applicable for the senior loan, as per REC's loan policy circular.	44 monthly installments commencing from last date of next calendar quarter falling after expiry of the moratorium period in accordance with the amortization schedule. Repayment commencing from September 2013
11)	State Bank of India ("SBI") ("lenders")		158.61	77.72	During construction period SBAR (plus) 175 bps from COD to FSD SBAR (plus) 125 bps	44 monthly installments commencing from last date of next calendar quarter falling after expiry of the moratorium period in accordance with the amortization schedule.

Sr. No	Lenders	Particulars	Amount Outstanding as of 31.12.10 (₹ in million)	Share in JV to the extent consolidated Amount Outstanding as of 31.12.10 (₹ in million)	Interest rate (In % p.a.)	Repayment
						Repayment commencing from September 2013
12)	State Bank of India (“SBI”) (“lenders”)	Interim disbursement for the purpose of financing the seconds Two Units (2X 270 MW) aggregating to 540 MW of the Chandwa Power Project	1000.15	490.06	4% above SBI base rate (floating) presently effective 12.00%	43, quarterly repayments commencing from Dec, 2015.
13)	HDFC Bank	Vehicle loan, sanction letter dated December 8, 2010	1.80	0.88	9% p.a.	36, monthly repayments commencing from Jan 7, 2011.
14)	HDFC Bank	Vehicle loan, sanction letter dated September 23, 2010	7.68	3.76	8.71% p.a.	36, monthly repayments commencing from October 7, 2010.
15)	ICICI Bank	Vehicle loan, sanction letter dated December 23, 2010	2.30	1.13	8.38% p.a.	36, monthly repayments commencing from Jan 15, 2011.

Annexure – XI

Details of Unsecured Loans

Particulars	As at 31.12.2010	As at 31.03.2010
	₹ in million	₹ in million
Short Term Loan from Bank	3031.36	-
Inter-corporate Deposits	-	30.27
Share of Inter-corporate deposits in Joint Venture	13.46	-
Total	3044.82	30.27
Amount due to Promoters/ Promoters Group Companies/ Subsidiaries/ Associates and Directors :	Nil	30.27
Inter-corporate Deposits		
Abhijeet Infrastructure Limited	Nil	30.27

Inter-corporate Deposits are payable on demand. Interest is payable @ 12% on Inter corporate deposits.

Sr. No	Lenders	Particulars	Amount Outstanding as on 31.12.10 (₹ in million)	Interest rate (In % p.a.)	Repayment
1.	PNB	Short term loan agreement, dated September 29, 2010 for the Banka Power Project	3,031.36	PNB base rate (which is currently at 11.50% p.a.), with monthly resets	Adjusted out of the disbursement or regular term loan, or within a maximum period of 12 months whichever is earlier

Annexure – XII

Details of Current Liabilities and Provisions

Particulars	As at 31.12.2010	As at 31.03.2010
	₹ in million	₹ in million
A) CURRENT LIABILITIES		
Acceptances	18.91	1596.35
Sundry Creditors	953.76	146.18
Other Liabilities	34.75	186.49
Share of current liabilities in Joint Venture	2001.47	21.67
	3008.89	1950.69
B) PROVISIONS		
Provision for Employees Benefits	4.34	0.42
Provision for Taxation	10.59	3.95
Provision for Fringe Benefits Tax	0.22	0.25
Share of provisions in Joint Venture	6.10	3.37
	21.25	7.99
Total	3030.14	1958.68
Amount due to Promoters/ Promoters Group Companies/ Subsidiaries/ Associates and Directors :	573.57	-
Sundry Creditors		
Abhijeet Projects Limited	562.59	-
Other Liabilities		
Abhijeet Natural Resources Private Limited	10.98	-
	573.57	-

Annexure – XIII

Details of Share Capital

Particulars	As at 31.12.2010	As at 31.03.2010
	₹ in million	₹ in million
Authorised :		
10,130,000,000 (Previous Year 154,000,000) Equity Shares of		
₹ 10/- each	101300.00	1540.00
Issued, Subscribed and Paid-up:		
1,462,784,356 (Previous Year 23,893,846) Equity Shares of		
₹ 10/- each	14627.84	238.94

Notes:

- 1) Authorised Share Capital of the Company stands increased by ₹ 1,300 million as on 31st March, 2010 pursuant to the Composite Scheme of Arrangement ("the Scheme") sanctioned by Hon'ble High Court at Calcutta vide its order dated 25th August, 2010.
- 2) Abhijeet Mining Limited, a company in which directors are interested, is holding 1,065,751,826 (Previous Year 23,481,000) Equity Shares of ₹ 10/- each. Abhijeet Mining Limited is also jointly holding 363,121,200 (Previous Year Nil) Equity Shares of ₹ 10/- each with Corporate Ispat Alloys Limited.
- 3) 1,008,661,680 (Previous Year Nil) Equity Shares of ₹ 10/- each, fully paid up have been issued to the Equity Shareholders of Abhijeet Infra Limited without payment being received in cash pursuant to the Scheme under sections 391 to 394 of the Companies Act, 1956 between the Company, Abhijeet Infra Limited (AINL) and Abhijeet Projects Limited (APRL) sanctioned by the Hon'ble High Court of Calcutta vide its order dated 25th August, 2010 and filed with the Registrar of Companies (ROC) on 18th October, 2010.

Annexure – XIV

Details of Reserves and Surplus

Particulars	As at 31.12.2010	As at 31.03.2010
	₹ in million	₹ in million
Securities Premium Account		
Balance as per last Balance Sheet	48.46	-
Premium on Issue of Equity Shares	2151.14	48.46
	2199.60	48.46
Capital Reserve		
On Amalgamation*	3175.74	3175.74
On Consolidation of Subsidiaries	4.59	4.54
	3180.33	3180.28
Profit and Loss Account	20.24	1.32
Total	5400.17	3230.06

* Represents excess of fair value of net assets taken over by the Company over the paid-up value of Equity Shares issued and allotted pursuant to the Composite Scheme of Arrangement sanctioned by the Hon'ble High Court of Calcutta.

The company has no revaluation reserves.

Annexure – XV

Details of Other Income

Particulars	Period ended 31.12.2010	Year ended 31.03.2010	
	₹ in million	₹ in million	
Not Related to Business			
Interest Received	77.75	0.02	Recurring
Profit on sale of Investment	20.21	0.01	Non-Recurring
Dividend Received	0.33	-	Recurring
Share of Income in Joint Venture	2.14	-	Recurring
	100.43	0.03	
Related to Business			
Commission Received	3.91	1.33	Recurring
Profit on Future Trading of Commodities	-	1.49	Non-Recurring
Excess Liability written back	0.01	-	Non-Recurring
Other Miscellaneous Receipts	0.06	-	Recurring
Share of Income Joint Venture	0.52	-	Recurring
	4.50	2.82	
Total	104.93	2.85	
Profit before Tax as per Profit & Loss Account	29.43	1.47	
Total Other Income as % of PBT	357%	194%	

Annexure – XVI

Details of Remuneration and Benefits to Employees

Particulars	Period ended 31.12.2010	Year ended 31.03.2010
	₹ in million	₹ in million
Salary, Wages and Allowances	8.83	-
Contribution to PF and Other Funds	0.56	-
Welfare and Other Amenities	0.71	-
	10.10	-

Annexure – XVII**Details of Administrative, Selling and Other Expenses**

Particulars	Period ended 31.12.2010	Year ended31.03.2010
	₹ in million	₹ in million
Repairs & Maintenance	0.48	-
Printing & Stationery	0.59	-
Communication	1.55	-
Travelling Expenses	0.05	-
Office Expenses	0.58	-
Legal & Professional Charges	2.89	1.16
Payment to Auditors	1.22	0.01
Business Development Expenses	1.70	-
Miscellaneous Expenses	0.72	0.02
Advertisement & Publicity	3.69	-
Share of Administrative Expenses in Joint Venture	1.57	-
Total	15.04	1.19

Annexure – XVIII

Details of Interest and Financial Charges

Particulars	Period ended 31.12.2010	Year ended 31.03.2010
	₹ in million	₹ in million
Interest paid		
On Fixed Loan	53.63	-
On Others	0.01	0.19
Bank Charges & Commission	0.03	-
Total	53.67	0.19

Annexure – XIX

Significant Accounting Policies, Notes to Consolidated Statement of Assets & Liabilities, Consolidated Statement of Profit & Loss Account and Statement of Consolidated Cash Flows:

A Statement of Significant Accounting Policies

1. Basis of Preparation of Financial Statements:

- a The Consolidated Financial Statements are prepared on accrual basis under the historic cost convention, in conformity in all material aspects with the generally accepted accounting principles and the applicable Accounting Standards in India.
- b The Financial statements of the Company and its subsidiary companies have been combined on line by line basis by adding together the book value of like item of assets, liabilities, incomes and expenses after fully eliminating intra-group balances, intra group transactions including costs resulting in unrealised Profit or Loss as per Accounting Standard -21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. The interest in Joint Venture has been consolidated using proportionate consolidation method as per Accounting Standard - 27 " Financial Reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India.
- c The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- d The Consolidated Financial Statements comprises of the financial statements of the Company and its subsidiaries as on 31st December, 2010 and as on 31st March, 2010. The List of Subsidiaries including name, proportion of ownership interest is as under :

Sr. No.	Name of Subsidiaries	Date from which become subsidiary	Country of Incorporation	Proportion of Ownership as on	
				31.12.10	31.03.10
1.	Jas Infrastructure and Power Limited (JIPL)	25 th March, 2010	India	93.72	79.00
2.	Abhijeet MADC Nagpur Energy Private Limited (AMNEPL)	31 st March, 2010	India	74.00	74.01

- e The Consolidated Financial Statement also comprises of the financial statements of its joint ventures as on 31st December, 2010 and as on 31st March, 2010. The List of joint ventures including name and ownership interest is as under :

Sr. No.	Name of Joint Venture	Date from which become Joint Venture	Country of Incorporation	Proportion of Ownership as on	
				31.12.10	31.03.10
1.	Corporate Power Limited (CPL)	31 st March, 2010	India	48.99	48.93
2.	Mahuagarhi Coal Company Private Limited (MCCPL)*	8 th April, 2008	India	50.00	50.00

* MCCPL is the 50:50 Joint Venture between JIPL, a subsidiary of the Company and CESC Limited.

- f Minority Interest's share in net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and Equity of the Company's shareholders.
- g The difference between the costs to the Company of its investment in its subsidiary companies and/ or the share in its interest in Joint Venture over the Company's portion of equity of the subsidiary/ share in Joint Venture is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- h The Investments as on 31st March, 2010 in Equity Shares of Abhijeet North Eastern Projects Limited (ANEPL), Abhijeet Bengal Green Energy Limited (ABGEL) and Abhijeet Bengal Hydel Energy Limited (ABHEL) have been accounted for in accordance with Accounting Standard (AS) 13 - "Accounting for Investments". These Investments were held by the Company on a temporary basis and were sold off in April, 2010. Therefore, these companies have not been considered for preparation of Consolidated Financial Statements as on 31st March, 2010 as per Accounting Standard - 21 issued by the Institute of Chartered Accountants of India.
- i The Investments as on 31st March, 2010 in Equity Shares of JAS Toll Road Company Limited (JTRCL) has been accounted for in accordance with Accounting Standard (AS) 13 - "Accounting for Investments". These Investments were sold off in April, 2010 and therefore the financial statements of JTRCL have not been consolidated in financial year 2010 as per Equity method prescribed under Accounting Standard 23 - "Accounting for Investments in Associates" issued by the Institute of Chartered Accountants of India.

Other Significant Accounting Policies of the Company

2. Revenue Recognition

Sales revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Commission income and Profit on Future Trading of Commodities are recognised based on contractual agreements with the parties and when the same is earned. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

3. Borrowing Costs:

Borrowing costs that are attributable to the construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

4. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. All costs including the financial costs till the commencement of commercial production are capitalized. The trial run expenditure (net of recoveries and income) are also capitalised.

5. Depreciation/Amortization

Depreciation on fixed assets has been provided on straight line basis at the rates and the manner laid down in Schedule XIV of the Companies Act, 1956. Intangible assets are amortized over a period of three years. Individual items of assets valuing less than ₹ 5,000/- have been written off fully.

6. Investments

Current Investments are carried at lower of cost or quoted value. Long term investments are carried at cost. Provision for diminution in value of long term investments is made only if such a decline is other than temporary in nature.

7. **Employment Benefits:**

- i. Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account/ preoperative expenses of the year/period in which related services are rendered.
- ii. Post employment and long term employee benefits are recognised as an expense in the profit and loss account/pre-operative expenses for the year/period in which the employees have rendered services and other statutory requirements are met. The expenses are recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains or losses in respect of post employment and other long term benefits are charged to the profit and loss account/ pre-operative expenses.

8. **Impairment of Assets:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the period/year in which an asset is identified as impaired.

9. **Taxes on Income**

The provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961.

Deferred tax assets and liabilities are recognised, subject to prudence, on timing differences, being the difference between taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent periods and quantified using the tax rates and laws enacted or substantively enacted by the reporting date. Deferred tax assets are recognized only if there is virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

10. **Provisions, Contingent Liabilities and Contingent Assets**

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as result of past event and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

11. **Foreign Exchange Transactions**

Transactions in foreign currency are recorded at the rates prevailing on the date of transaction. Outstanding foreign currency monetary assets and liabilities are translated at the exchange rate prevailing at year/period end. Exchange difference is charged to the profit & loss account/ pre-operative expenses.

12. **Miscellaneous Expenditure**

Share issue expenses incurred in connection with the proposed Initial Public offering (IPO) of the Company is shown under Miscellaneous Expenditure (to the extent not written off). Such expenditure would be adjusted against Share Premium Account as and when shares will be issued after completion of IPO.

B Material Adjustments

1. **Prior Period Expenses**

For the purpose of the Restated Summary Statements, Prior Period items have been appropriately adjusted in the respective years to which they relate.

2. **Administrative and General Expenses booked to Profit and Loss Account**

For the limited purpose of including in the Draft Red Herring Prospectus (DRHP), in the restated financial information, Preliminary Expenses have been charged to Profit and Loss Account in the year in which it was incurred as against shown in the audited financial statements under "Miscellaneous Expenditure (to the extent not written off or adjusted) and certain other General Expenses shown under Pre-operative Expenses have been charged to Profit & Loss Account.

3. **Material Regroupings**

Appropriate adjustments have been made in the restated financial information, wherever required, by a reclassification of the corresponding items of assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the company for the period ended 31st December, 2010 and for the year ended 31st March, 2010.

C Selected Notes to the Summary Statement of Consolidated Assets and Liabilities-Restated and Summary Statement of Consolidated Profit & Loss-Restated for the period ended 31st December, 2010 and for the year ended 31st March, 2010.

- Pursuant to the Composite Scheme of Arrangement ("the Scheme") under sections 391 to 394 of the Companies Act, 1956 between the Company, Abhijeet Infra Limited (AINL) and Abhijeet Projects Limited (APRL) sanctioned by the Hon'ble High Court of Calcutta vide its order dated 25th August, 2010 and subsequently approved by the Registrar of Companies (ROC) on 18th October, 2010, the Power business of AINL have been amalgamated with the Company. Consequently, the assets and liabilities of AINL (Power business) have been transferred and vested into the Company with effect from the appointed date i.e. 31st March, 2010. The consolidated statements have been prepared by giving the said effects.
- The Composite Scheme of Arrangement was sanctioned by the Hon'ble High Court of Calcutta vide its order dated 25th August 2010 and the appointed date was 31st March 2010. Consequently Power Business of Abhijeet Infra Limited was amalgamated on 31st March 2010. Also, Jas Infrastructure and Power Limited became subsidiary of the Company in March 2010 only. In view of this, Consolidated Financial Statements for the period ended 31st December, 2009 have not been prepared.
- All the assets and liabilities as appearing in the books of AINL as on the appointed date have been recorded at their respective fair values by the Company in the financial year 2010 in terms of Purchase Method of accounting.
- 1008661680 Equity Shares of ₹ 10/- each, fully paid up were issued to the Equity Shareholders of AINL whose names were registered in the Register of Members on the appointed date, without payment being received in cash during the period ended 31st December, 2010. The face value of such shares has been shown as Share Capital Suspense Account as on 31st March, 2010.
- Income, Profit/(Loss) before tax, Profit/(Loss) after Tax and Net Worth of Subsidiaries as per their financial statements**

₹ in million					
	Subsidiary	Income	Profit/ (Loss) before tax	Profit/ (Loss) after tax	Net Worth
I	Jas Infrastructure and Power Limited (JIPL)				
	For the period ended on 31 st December, 2010	16.72	15.68	12.62	133.79
	For the period ended on 31 st March, 2010	1.11	0.35	0.23	99.61

	Subsidiary	Income	Profit/ (Loss) before tax	Profit/ (Loss) after tax	Net Worth
II	Abhijeet MADC Nagpur Energy Private Limited (AMNEPL)				
	For the period ended on 31 st December, 2010	25.81	12.26	8.24	1158.27
	For the period ended on 31 st March, 2010	7.01	0.04	0.02	736.64

		31.12.2010 ₹ in million	31.03.2010 ₹ in million
6.	Estimated amount of contracts remaining to be executed on capital account and not provided for	107457.53	2602.56
	Share of amount of capital contracts to be executed of Joint Venture	27324.58	7961.74
		134782.11	10564.30
7.	Contingent Liabilities not provided for in respect of :		
	Guarantee given by the Company's Banker	698.34	312.76
	Corporate Guarantee (Given to Bank for the loan taken by Subsidiary Company)	3000.00	-
	Obligation for import of Capital Goods under EPCG licences	7662.17	6315.57
	Share of contingent liabilities of Joint Venture	423.72	264.95
		11784.23	6893.28

8. The Company has not received information from creditors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure as required under the Companies Act, 1956 relating to amounts unpaid as at the period end together with interest paid/payable thereon have not been given.
9. In the opinion of the management, Current Assets, Loans and Advances are of the value stated, if realised in the ordinary course of business.
10. 58,650,000 (Previous Year 32,740,290) Equity Shares in Abhijeet MADC Nagpur Energy Private Limited (a subsidiary of the Company) are held jointly with Abhijeet Infrastructure Limited, a Company in which directors are interested. However, the voting rights for the same vests with the Company.
11. The Company has pledged 37,567,268 (Previous Year 22,740,290) Equity Shares of Abhijeet MADC Nagpur Energy Private Limited (AMNEPL), a subsidiary of the Company, to the lenders of AMNEPL. 16,942,332 Equity Shares of AMNEPL are pledged to the Financial Institution against the Term Loan of the Company.

		31.12.10 ₹ in million	31.03.10 ₹ in million
12.	Payment to Auditors		
	Audit Fees	1.35	0.01
	Out of Pocket Expenses and Service Tax	0.02	-
	Total	1.37	0.01
13.a.	Managerial Remuneration *		
	Salaries	11.27	-
	Contribution to Provident Fund	0.84	-
		12.11	-

* ₹ 4.90 million is included in Pre-operative Expenses.

The Company is not required to obtain approval from the Central Government in view of amendment made in Schedule XIII of the Companies Act, 1956 vide Gazette of India Notification G.S.R. 70 (E) published on 8th February, 2011 for payment of Managerial Remuneration.

- b. The computation of Net Profit for the purpose of Directors Remuneration u/s 349 of the Companies Act, 1956 has not been enumerated since no commission has been paid to the Directors. Fixed Managerial Remuneration has been paid to the whole time Directors of the Companies.

14. **Segment Reporting:**

A. **Segment information as per Accounting Standard - 17 on Segment Reporting:**

Information provided in respect of revenue items for the period ended 31st December, 2010 and in respect of assets / liabilities as at 31st December, 2010.

I Information about Primary (Product wise) segments:

₹ in million				
	Power	Other	Unallocated	Total
1. <u>REVENUE</u>				
External Sales	-	252.60	-	252.60
	(-)	(-)	(-)	(-)
Inter-Segment Sales	-	-	-	-
	(-)	(-)	(-)	(-)
Total Revenue	-	252.60	-	252.60
Previous Year	(-)	(-)	(-)	(-)
2. <u>RESULTS</u>				
Segment Results	-20.03	9.89	-	-10.14
	(-1.19)	(1.33)	(-)	(0.14)
Unallocated Corporate Expenses	-	-	7.20	7.20
	(-)	(-)	(-)	(-)
Operating Profit	-20.03	9.89	-7.20	-17.34
	(-1.19)	(1.33)	(-)	(0.14)
Interest Expenses and Financial Charges	-	-	53.67	53.67
	(-)	(-)	(0.19)	(0.19)
Interest Income	-	-	79.16	79.16
	(-)	(-)	(0.02)	(0.02)
Profit on Investment/Future Trading	-	-	20.21	20.21
	(-)	(-)	(1.50)	(1.50)
Dividend	-	-	1.05	1.05
	(-)	(-)	(-)	(-)
Profit from Ordinary Activities	-20.03	9.89	39.55	29.41
	(-1.19)	(1.33)	(1.33)	(1.47)
Provision for Income Tax - Net	-	-	6.73	6.73
	(-)	(-)	(0.87)	(0.87)
Deferred	-	-	0.40	0.40
	(-)	(-)	(-)	(-)
Net Profit	-20.03	9.89	32.42	22.28
	(-1.19)	(1.33)	(0.46)	(0.60)

3.

	Power	Other	Unallocated	Total
<u>OTHER INFORMATION</u>				
Segment Assets	31472.06	169.10	-	31641.16
	(14059.31)	(-)	(-)	(14059.31)
Unallocated Corporate Assets	-	-	12195.97	12195.97
	(-)	(-)	(10653.10)	(10653.10)
Total Assets	31472.06	169.10	12195.97	43837.13
	(14059.31)	(-)	(10653.10)	(24712.41)
Segment Liabilities	903.88	159.96	-	1063.84
	(-)	(-)	(-)	(-)
Unallocated Corporate Liabilities	-	-	22745.29	22745.29
	(-)	(-)	(11156.78)	(11156.78)
Total Liabilities	903.88	159.96	22745.29	23809.13
	(-)	(-)	(11156.78)	(11156.78)
Capital Expenditure	17709.19	-	-	17709.19
	(12003.97)	(-)	(-)	(12003.97)
Depreciation	2.22	-	-	2.22
	(-)	(-)	(-)	(-)

Figures in bracket represents previous year's amounts.

B. Segment Identification, Reportable Segments and definition of each segment :

i. Primary/ Secondary Segment Reporting Format :

The risk return profile of the Company's business is determined predominantly by the nature of its product. Accordingly, the business segments constitute the Primary Segments for the disclosure of segment information.

ii. Reportable Segments :

Segments have been identified and reported taking into account the differing risks and returns,nature of the products, the organisational structure and the internal reporting system of the Company.

iii. Segment Composition :

Power Segment includes Power Plant at Chandwa (Jharkhand), Banka (Bihar) and Khaira Khurd (Maharashtra) being commissioned by way of strategic investment through its subsidiaries and joint venture.

Other includes coal trading activities and commission earned through steel trading.

15. Abhijeet MADC Nagpur Energy Private Limited, a subsidiary of the Company, has prepared its financial statements for the period from April, 2009 to December, 2009 under Companies Act,1956.However,for Income Tax purposes, financial statements are prepared for the financial year April, 2009 to March, 2010 and the same are considered for Consolidation for financial year 2010.

16. The Company has given undertaking to the lenders of Corporate Power Limited (CPL), its joint venture, to make Equity contribution from time to time to meet the project cost of CPL to the extent of 49% of its share in Joint Venture.

17. **Related Parties (As per Accounting Standard – 18)**

A Related Parties

i **Holding Company**

Abhijeet Mining Limited

ii **Subsidiary Companies***

Abhijeet North Eastern Projects Limited
Abhijeet Bengal Green Energy Limited
Abhijeet Bengal Hydel Energy Limited

(* Ceases to exist as Subsidiary w.e.f. 30th April,2010)

iii **Joint Ventures**

Corporate Power Limited
Mahuagarhi Coal Company Private Limited

iv **Key Management Personnel**

Shri Manoj Jayaswal
Shri Abhishek Jayaswal
Shri Abhijeet Jayaswal
Shri Sudhir Kumar Gupta
Shri Arun Kumar Srivastava
Shri Rajeev Goyal
Shri P.N. Krishnan
Shri K. Ravi Kumar
Shri Maman Kumar Singh

v **Enterprises in which Key Management Personnel and their relatives are able to exercise significant influence (Other Related Parties)**

Corporate Ispat Alloys Limited
Abhijeet Infrastructure Limited
Abhijeet Natural Resources Private Limited
Abhijeet Ferrotech Limited
Abhijeet Projects Limited
Jas Toll Road Company Limited
Jayaswals Ashoka Infrastructure Private Limited
Kiazen Power Limited
Global Powmin Limited
Abhijeet Roads Limited
AE Coal Technologies India Private Limited
Abhijeet Hazaribagh Toll Road Limited
Abhijeet Ventures Limited
Abhijeet New India Cement Private Limited
Growth Infinite

B Disclosure of Related Party Transactions

1. Transactions with:

₹ in million

Sr. No.	Nature of transaction	Holding Company	Subsidiary Company	Key Management Personnel	Joint Venture	Other related Parties	Total
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Sr. No.	Nature of transaction	Holding Company	Subsidiary Company	Key Management Personnel	Joint Venture	Other related Parties	Total
1.	Share Application Money Received	-	-	-	-	802.28	802.28
		(48.46)	(-)	(-)	(-)	(115.09)	(163.55)
	Corporate Ispat Alloys Limited	-	-	-	-	802.28	802.28
		(-)	(-)	(-)	(-)	(115.09)	(115.09)
	Abhijeet Mining Limited	-	-	-	-	-	-
		(48.46)	(-)	(-)	(-)	(-)	(48.46)
2.	Unsecured Loan						
	Returned during the period	-	-	-	-	30.27	30.27
		(0.73)	(-)	(-)	(-)	(35.46)	(36.19)
	Abhijeet Mining Limited	-	-	-	-	-	-
		(0.73)	(-)	(-)	(-)	(-)	(0.73)
	Abhijeet Infrastructure Limited	-	-	-	-	30.27	30.27
		(-)	(-)	(-)	(-)	(35.46)	(35.46)
	Closing Balance of Unsecured Loans as on 31st December, 2010	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(30.27)	(30.27)
	Abhijeet Infrastructure Limited	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(30.27)	(30.27)
3.	Share Application Money Given	-	-	-	-	-	-
		(-)	(-)	(-)	(932.98)	(-)	(932.98)
	Corporate Power Limited	-	-	-	-	-	-
		(-)	(-)	(-)	(932.98)	(-)	(932.98)
4.	Capital Advance as on 31st December, 2010	-	-	-	-	11767.28	11767.28
		(-)	(-)	(-)	(-)	(4315.85)	(4315.85)
	Abhijeet Projects Limited	-	-	-	-	11767.28	11767.28
		(-)	(-)	(-)	(-)	(4315.85)	(4315.85)
5.	Loans						
	Given during the period	-	-	-	796.38	-	796.38
		(-)	(-)	(-)	(-)	(69.82)	(69.82)
	Corporate Power Limited	-	-	-	796.38	-	796.38
		(-)	(-)	(-)	(-)	(-)	(-)
	Abhijeet Projects Limited	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(66.13)	(66.13)
	Abhijeet Infrastructure Limited	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(3.69)	(3.69)
	Returned during the period	-	-	-	-	66.14	66.14
		(-)	(-)	(-)	(-)	(3.74)	(3.74)
	Abhijeet Projects Limited	-	-	-	-	66.14	66.14
		(-)	(-)	(-)	(-)	(3.74)	(3.74)
	Closing Balance as on 31 st December, 2010	-	-	-	796.38	-	796.38
		(-)	(-)	(-)	(-)	(66.14)	(66.14)
	Corporate Power Limited	-	-	-	796.38	-	796.38
		(-)	(-)	(-)	(-)	(-)	(-)
	Abhijeet Projects Limited	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(66.14)	(66.14)
6.	Deposits						
	Given during the period	-	-	-	-	108.71	108.71
		(-)	(-)	(-)	(-)	(-)	(-)
	Growth Infinite	-	-	-	-	108.71	108.71
		(-)	(-)	(-)	(-)	(-)	(-)
	Closing Balance as on 31 st December, 2010	-	-	-	-	108.71	108.71
		(-)	(-)	(-)	(-)	(-)	(-)
	Growth Infinite	-	-	-	-	108.71	108.71
		(-)	(-)	(-)	(-)	(-)	(-)
7.	Sundry Debtors	-	-	-	-	3.27	3.27
		(-)	(-)	(-)	(-)	(-)	(-)
	Abhijeet Infrastructure Limited	-	-	-	-	3.27	3.27
		(-)	(-)	(-)	(-)	(-)	(-)
8.	Sundry Creditors and Liabilities	-	-	-	-	574.67	574.67
		(-)	(-)	(-)	(-)	(0.02)	(0.02)
	Abhijeet Projects Limited	-	-	-	-	563.69	563.69
		(-)	(-)	(-)	(-)	(-)	(-)
	Abhijeet Natural Resources Private Limited	-	-	-	-	10.98	10.98

Sr. No.	Nature of transaction	Holding Company	Subsidiary Company	Key Management Personnel	Joint Venture	Other related Parties	Total
		(-)	(-)	(-)	(-)	(-)	(-)
	Jas Toll Road Company Limited	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(0.02)	(0.02)
9.	Payment received towards reimbursement of expenses	-	-	-	21.05	77.82	98.87
		(-)	(-)	(-)	(-)	(38.98)	(38.98)
	Corporate Power Limited	-	-	-	21.05	-	21.05
		(-)	(-)	(-)	(-)	(-)	(-)
	Abhijeet Projects Limited	-	-	-	-	74.39	74.39
		(-)	(-)	(-)	(-)	(38.98)	(38.98)
	Corporate Ispat Alloys Limited	-	-	-	-	3.39	3.39
		(-)	(-)	(-)	(-)	(-)	(-)
	Abhijeet Infrastructure Limited	-	-	-	-	0.04	0.04
		(-)	(-)	(-)	(-)	(-)	(-)
10.	Payment made towards reimbursement of expenses	-	-	-	-	0.60	0.60
		(-)	(-)	(-)	(-)	(0.01)	(0.01)
	Abhijeet Projects Limited	-	-	-	-	0.15	0.15
		(-)	(-)	(-)	(-)	(0.01)	(0.01)
	Corporate Ispat Alloys Limited	-	-	-	-	0.36	0.36
		(-)	(-)	(-)	(-)	(-)	(-)
	Jas Toll Road Company Limited	-	-	-	-	0.05	0.05
		(-)	(-)	(-)	(-)	(-)	(-)
	Abhijeet Infrastructure Limited	-	-	-	-	0.01	0.01
		(-)	(-)	(-)	(-)	(-)	(-)
	Kaizen Power Limited	-	-	-	-	0.02	0.02
		(-)	(-)	(-)	(-)	(-)	(-)
	Global Powmin Limited	-	-	-	-	0.01	0.01
		(-)	(-)	(-)	(-)	(-)	(-)
11.	Purchase of Assets	-	-	-	-	6798.74	6798.74
		(-)	(-)	(-)	(-)	(5315.20)	(5315.20)
	Abhijeet Projects Limited	-	-	-	-	6787.47	6787.47
		(-)	(-)	(-)	(-)	(5315.20)	(5315.20)
	Abhijeet Natural Resources Private Limited	-	-	-	-	11.27	11.27
		(-)	(-)	(-)	(-)	(-)	(-)
12.	Sale of Assets	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(44.93)	(44.93)
	Corporate Ispat Alloys Limited	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(44.93)	(44.93)
13.	Purchase of Shares	-	-	0.08	-	0.61	0.69
		(-)	(-)	(0.70)	(-)	(-)	(0.70)
	Abhijeet Infrastructure Limited	-	-	-	-	0.61	0.61
		(-)	(-)	(-)	(-)	(-)	(-)
	Manoj Jayaswal	-	-	0.04	-	-	0.04
		(-)	(-)	(-)	(-)	(-)	(-)
	Abhishek Jayaswal	-	-	0.04	-	-	0.04
		(-)	(-)	(-)	(-)	(-)	(-)
14.	Investments	-	-	-	-	-	-
		(-)	(1.02)	(-)	(-)	(152.76)	(153.78)
	Jayaswals Ashoka Infrastructure Private Limited	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(14.40)	(14.40)
	Jas Toll Road Company Limited	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(138.36)	(138.36)
	Abhijeet North Eastern Projects Limited	-	-	-	-	-	-
		(-)	(0.26)	(-)	(-)	(-)	(0.26)
	Abhijeet Bengal Green Energy Limited	-	-	-	-	-	-
		(-)	(0.38)	(-)	(-)	(-)	(0.38)
	Abhijeet Bengal Hydel Energy Limited	-	-	-	-	-	-
		(-)	(0.38)	(-)	(-)	(-)	(0.38)
15.	Sale of Shares	-	-	-	-	167.53	167.53
		(-)	(-)	(-)	(-)	(-)	(-)
	Abhijeet Infrastructure Limited	-	-	-	-	167.53	167.53
		(-)	(-)	(-)	(-)	(-)	(-)
16.	Income	-	-	-	53.63	3.91	57.54
		(-)	(-)	(-)	(-)	(1.33)	(1.33)
	Abhijeet Infrastructure Limited	-	-	-	-	3.91	3.91
		(-)	(-)	(-)	(-)	(1.33)	(1.33)

Sr. No.	Nature of transaction	Holding Company	Subsidiary Company	Key Management Personnel	Joint Venture	Other related Parties	Total
	Corporate Power Limited	-	-	-	53.63	-	53.63
		(-)	(-)	(-)	(-)	(-)	(-)
17.	Letter Of Credit	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(162.76)	(162.76)
	Abhijeet Projects Limited	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(162.76)	(162.76)
18.	Payment to Directors	-	-	12.11	-	-	12.11
		(-)	(-)	(0.27)	(-)	(-)	(0.27)
	Shri Manoj Jayaswal	-	-	3.01	-	-	3.01
		(-)	(-)	(-)	(-)	(-)	(-)
	Shri Abhishek Jayaswal	-	-	4.20	-	-	4.20
		(-)	(-)	(-)	(-)	(-)	(-)
	Shri Sudhir Kumar Gupta	-	-	1.67	-	-	1.67
		(-)	(-)	(-)	(-)	(-)	(-)
	Shri Rajeev Goyal	-	-	0.93	-	-	0.93
		(-)	(-)	(0.27)	(-)	(-)	(0.27)
	Shri Maman Kumar Singh	-	-	0.42	-	-	0.42
		(-)	(-)	(-)	(-)	(-)	(-)
	Shri K. Ravi Kumar	-	-	1.63	-	-	1.63
		(-)	(-)	(-)	(-)	(-)	(-)
	Shri Arun Kumar Srivastava	-	-	0.25	-	-	0.25
		(-)	(-)	(-)	(-)	(-)	(-)

18. Employee Benefits as per Accounting Standard 15 on "Employee Benefits", the disclosures of Employee Benefits as defined in the Accounting Standard are given below:

Defined Benefit Plan

The employee Gratuity Fund Scheme, which is a defined benefit plan, is managed by a Trust maintained with Life Insurance Corporation of India (LIC) for Corporate Power Limited. For Abhijeet MADC Nagpur Energy Private Limited and Jas Infrastructure and Power Limited, the Gratuity Scheme is non funded. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

- i) Reconciliation of opening and closing balances of defined benefit obligations

Particulars	As at 31.12.2010		As at 31.03.2010	
	Funded	Non funded	Funded	Non funded
Defined Benefit obligation at beginning of the period/year	0.88	0.54	0.61	0.35
Current service cost	0.79	0.78	0.20	0.22
Interest cost	0.07	0.03	0.05	0.02
Past service cost	-	(0.12)	-	-
Benefit paid	-	(0.02)	-	0.10
Actuarial Gain/Losses	0.34	0.26	0.02	(0.15)
Defined Benefit obligations at the period/year end	2.08	1.47	0.88	0.54

- ii) Expenses recognised during the period/year

Particulars	Period ended 31.12.10		Year ended 31.03.2010	
	Funded	Non funded	Funded	Non funded
Current service cost	0.79	0.78	0.20	0.22

Particulars	Period ended 31.12.10		Year ended 31.03.2010	
	Funded	Non funded	Funded	Non funded
Interest cost on Defined benefit obligation	0.07	0.03	0.05	0.02
Past service cost	-	(0.12)	-	0.04
Actuarial Losses	0.34	0.26	0.02	(0.15)
Net cost included under contribution to Gratuity	1.20	0.96	0.27	0.13

iii) Actuarial Assumptions

Particulars	JIPL	AMNEPL	CPL
Mortality Table (LIC)	1994-96(Ult)	1994-96(Ult)	1994-96(Ult)
Discount rate (per annum)			
For December, 2010	7.80%	8%	8%
For March, 2010	7.80%	8%	8%
Expected rate of escalation in Salary (per annum)			
For December, 2010	15%	10%	15%
For March, 2010	15%	10%	5%

19.

Details of Preoperative Expenses	31.12.2010	31.03.2010
	₹ in million	₹ in million
Consumption of Raw Material	148.85	-
Carriage Inward	0.27	-
Consumables	3.18	0.37
Factory Expenses	5.45	-
Power, Fuel and Water	39.17	-
Repairs & Maintenance	4.17	2.29
Remuneration & Benefits to Employees	95.34	48.74
Rent	0.78	0.84
Rates, Taxes & Fees	12.31	8.72
Insurance	19.94	11.41
Printing & Stationery	-	0.37
Communication	1.18	2.53
Travelling & Conveyance Expenses	14.70	12.40
Legal & Professional Charges	60.25	58.11
Survey, Testing & Investigation Charges	6.29	1.02
Social Welfare Expenses	10.60	-
Office Expenses	2.44	15.54
Advertising & Publicity	1.00	2.96
Premium for forward contracts	2.50	0.58
Miscellaneous Expenses	9.40	12.08
Interest & Financial Charges	1551.06	769.40
Depreciation	3.03	2.97
Total	1991.91	950.33
Less: Sale of Power during Trial Run	49.24	11.09
Less: Foreign Exchange Variation	7.21	6.97
Net Pre-operative Expenses for the period	1935.46	932.27
Add : Pre Operative Expenses upto Previous Year	1121.61	189.34
Total Preoperative Expenses	3057.07	1121.61

20. The breakup of Deferred Tax Assets and Deferred Tax Liabilities into major components of respective balances is as under:

		31.12.2010	31.03.2010
		₹ in million	₹ in million
Deferred Tax Liabilities			
Related to Fixed Assets	A	0.75	0.01
Deferred Tax Assets			
Preliminary Expenditure		0.11	-
Disallowance under Income Tax, 1961		0.23	-
	B	0.34	-
Net Deferred Tax Liabilities/ (Assets)	(A - B)	0.41	0.01

21. Quantitative information in respect of Opening Stock, Purchases, Closing Stock and Sales of Finished Goods, and Consumption of Raw Materials (as certified by the management):

Description	31.12.2010		31.03.2010	
	Quantity	Value	Quantity	Value
	M.T.	₹ in million	M.T.	₹ in Million
a) Purchases				
Coal & Coke	77115.06	247.06	-	-
b) Sales and Services				
Coal & Coke	77115.06	252.60	-	-

22. On 18th January 2011, proceeding under Section 132 of the Income Tax Act, 1961 has been conducted by Income Tax Department in the Business Premises of the Company and its Associates. Certain papers and data were seized by the Department and the exact determination of the quantum of income tax (if any) is subject to completion of proceedings and assessments. The same will be accounted for on completion of the same.

Annexure – XX

Statement of Accounting Ratios

		₹ in million except no. of Equity Shares	
	Particulars	31.12.2010	31.03.2010
1	Net Profit after tax as per restated Profit & Loss Account	22.30	0.60
	Less: Profit attributable to Minority Interest	3.38	-
		18.92	0.60
2	Weighted average number of Equity Shares outstanding – For Basic EPS	1131117040	367386
3	Weighted average number of Equity Shares outstanding – For Diluted EPS **	1334497941	3144120
4	Number of Equity Shares outstanding at the end of the period	1462784356	23893846
5	Net Worth***	17133.04	10592.13
	Accounting Ratios *		
	Earnings per Equity Share - Basic	0.02	1.63
	- Diluted	0.01	0.19
	Return on Net Worth (1)/(5) %	0.13	0.01
	Net Asset Value Per Share (₹) (5)/(4)	11.71	443.30

* The ratios have been computed as under :

$$\text{Basic/Diluted Earnings per share (₹)} = \frac{\text{Earnings attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding for basic/diluted EPS}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Net Profit after Tax ,as restated}}{\text{Net Worth, as restated, at the end of the year}}$$

$$\text{Net Asset Value per share (₹)} = \frac{\text{Net Worth}}{\text{Number of Equity Shares outstanding at the end of the year}}$$

** 1008661680 number of Equity Shares to be allotted as on 31st March,2010 to the Shareholders of Abhijeet Infra Limited as per the Composite Scheme of Arrangement sanctioned by the Hon'ble High Court at Calcutta have been considered for calculation of Diluted EPS for the financial year 2010 and it has been assumed that Share Application Money Received will be allotted at face value.

*** Net Worth excludes Capital Reserve on Amalgamation of ₹ 3175.74 million (Previous Year ₹ 3175.74 million)

Annexure – XXI

Statement of Tax Shelter

	Particulars	31.12.2010	31.03.2010
		₹ in million	₹ in million
1	Net Profit/(Loss) as per restated consolidated accounts	29.43	1.47
2	Less: Long Term Capital Gains charged at different rates	(14.78)	-
3	Balance	14.65	1.47
4	Applicable Tax Rate	30.90%	30.90%
5	Tax at Notional Rate	4.53	0.45
6	Long term capital gain taxed at different rate	2.95	-
7	Total tax liability (5+6)	7.47	0.45
8	Adjustments :		
	<u>Timing Difference</u>		
	Higher Depreciation under Income Tax Act	(3.62)	-
		(3.62)	-
	<u>Permanent Difference</u>		
	Exempt Income	(1.06)	-
	Other disallowances	2.27	1.10
		1.21	1.10
	Net Adjustments	(2.41)	1.10
9	Tax Expenses/ (Savings) thereon	(0.74)	0.34
10	Interest under section 234 B and 234 C	-	0.08
11	Tax on Profits after Extra-Ordinary Items	6.73	0.87

Annexure – XXII

Capitalisation Statement

Particulars	Pre- issue as at 31.12.2010	As adjusted for issue
	₹ in million	₹ in million
Short Term Debts	3044.82	
Long Term Debts	18367.70	
Total debt	21412.52	
Shareholders' Funds		
Share Capital *	14627.84	See note (5) below
Reserves		See note (5) below
Securities Premium Account	2199.60	
Capital Reserve	3180.33	
Profit and Loss Account	20.24	
Miscellaneous Expenditure	(37.94)	
Total Shareholders' Funds **	19990.07	
Long Term Debt / Equity	0.92	See note (5) below
Total Debt/ Shareholders' funds	1.07	See note (5) below

Notes:

- Short term debts represents debts which are due within twelve months from 31st December, 2010 or 31st March, 2010 as the case may be.
 - Long term debts represents debts other than short term debts, as defined above. For the purpose of this statement, Acceptances amounting to ₹ 1954.37 million (Previous Year ₹ 1596.35 million), which will be converted into Term Loans, has been included.
 - The figures disclosed above are based on the restated summary statement of consolidated assets and liabilities of the company as at 31st December, 2010 and as at 31st March, 2010 respectively.
 - Long term Debt/ Equity =
$$\frac{\text{Long Term Debt}}{\text{Shareholder's Fund}}$$
 - The corresponding post issue figures are not determinable at this stage pending the completion of the book building process and hence have not been furnished.
- * For the calculation of Shareholders' Fund as on 31st March, 2010, Share Capital Suspense Account of ₹ 10086.62 million, being 1008661680 Equity Shares of ₹ 10 each, fully paid up to be issued to Equity Shareholders of AINL without payments being received in cash as per the Scheme sanctioned by the Hon'ble High Court at Calcutta has been included in Share Capital.
- ** Shareholders' Fund excludes Minority Interest amounting to ₹ 318.71 million (Previous Year ₹ 212.25 million).

Annexure – XXIII**Details of Rates of Dividend**

Particulars	31.12.2010	31.03.2010
	₹ in million	₹ in million
Class of Shares		
Equity Share Capital	14627.84	238.94
Face Value (₹/Share)	10	10
Dividend	Nil	Nil
Dividend Tax	Nil	Nil

Annexure – XXIV

Statement of Reconciliation of Consolidated Profits/Losses

₹ in million			
Sr. No.	Particulars	31.12.2010	31.03.2010
A	Profit/(Loss) After Tax before Restatement Adjustments	22.22	0.50
B	Adjustment in terms of Paragraph IX(B)(9)(a) to (d) of Part A of Schedule VIII of the ICDR Regulations		
i	Preliminary Expenses written off	0.09	0.05
ii	Prior Period Items	-	0.01
iii	Income Tax of Earlier Years	-	0.06
iv	Current Tax	(0.01)	(0.02)
	Total	0.08	0.10
	Net Profit/(Loss) after Restatement Adjustments (A+B)	22.30	0.60

AUDITORS' REPORT ON UNCONSOLIDATED FINANCIAL STATEMENTS

To,

The Board of Directors
Abhijeet Power Limited,
(Formerly known as Abhijeet Infrastructure Capital Private Limited)
Insignia Towers, EN 1,
Sector – V, Salt Lake,
Kolkata - 700091,
West Bengal, India.

Dear Sirs,

1. In connection with the proposed Initial Public Offering (the “IPO”) of Equity Shares of Abhijeet Power Limited (the “Company”) and in terms of our engagement letter dated October 16, 2010, we have examined the attached Restated Summary Statements (as defined in paragraph 4 below) of the Company for the period ended Dec 31, 2010 and for the years ended as at March 31, 2010, 2009, 2008, 2007 and 2006 annexed to this report and initialed by us for the purpose of identification.
2. The Restated Summary Statements are prepared by the Company and approved by the Board of Directors, in accordance with the requirement of :
 - a. Paragraph B of Part II of Schedule II of the Companies Act, 1956, (the “Act”); and
 - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (the “ICDR Regulations”), notified by Securities and Exchange Board of India (“SEBI”) and amendments thereto, in pursuance of section 11A (1) (a) of the Securities and Exchange Board of India Act, 1992 to the extent applicable.
 - c. The Guidance note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India.
3. Our examination was conducted in accordance with the applicable generally accepted auditing standards in India prescribed by the Institute of Chartered Accountants of India (“ICAI”).

Restated Summary Statements of the Company

4. In accordance with requirements of Part II (B) of Schedule II of the Act and the ICDR Regulations and in terms of our engagement agreed with you, we have examined:
 - i. the “Summary Statement of Assets and Liabilities - Restated” as at Dec 31, 2010, March 31, 2010, 2009, 2008, 2007, 2006 (Annexure – I)
 - ii. the “Summary Statement of Profits and Losses - Restated” for the period ended Dec 31, 2010 and for each of the years ended March 31, 2010, 2009, 2008, 2007, 2006 (Annexure II); and
 - iii. the “Summary Statement of Cash Flows - Restated” for the period ended Dec 31, 2010 and for each of the years ended March 31, 2010, 2009, 2008, 2007, 2006 (Annexure III)together referred to as “Restated Summary Statements”
5. These Restated Summary Statements have been extracted by the Management of the Company from the audited unconsolidated financial statements:
 - a) for the years ended March 31, 2009, 2008, 2007 and 2006, which have been audited by M/s Agrawal Chhallani & Co., Chartered Accountants (Registration No.100125W), Nagpur, being the auditors of the Company for those years, in terms of their reports dated August 26, 2009, August 28, 2008, August 29, 2007 and September 1, 2006 respectively; and
 - b) for the period ended Dec 31, 2010 and year ended March 31, 2010 , audited by us, in terms of our report

dated March 16, 2011 and revised report dated October 15, 2010 respectively.

6. Based on our examination of these Restated Summary Statements, we state that:
- A. The “Restated Summary Statements” have to be read in conjunction with the “Significant Accounting Policies and Notes to the Restated Summary Statements” of the Company (Annexure XIII).
 - B. The restated Profits/Losses have been arrived after adjusting for changes in accounting policies retrospectively in respective financial years to reflect the uniform accounting treatment for all the reporting years.
 - C. There are no extraordinary items that need to be disclosed separately in the Restated Summary Statements.
 - D. Without qualifying our opinion, we draw your attention to :-
 - Note B in annexure XIII to the restated unconsolidated financial information “Material Adjustments”, regarding charging-off of preliminary expenses to the unconsolidated “Statement of Restated Profits and Losses”, for the limited purpose of inclusion in the Draft Red Herring Prospectus (DRHP) as against the same shown in the audited unconsolidated financial statements under “Miscellaneous Expenses (to the extent not written off or adjusted)”.

Other Financial Information of the Company

7. We have also examined the following Unconsolidated Other Financial Information (restated) of the Company for the period ended Dec 31, 2010 and for each of the years ended March 31, 2010, 2009, 2008, 2007, 2006 which is proposed to be included in the Draft Red Herring Prospectus (DRHP), as approved by the Board of Directors of the Company and annexed to this report:-
- i. Details of Investments as at Dec 31, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure IV);
 - ii. Details of Sundry Debtors as at Dec 31, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure V);
 - iii. Details of Loans and Advances as at Dec 31, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure VI);
 - iv. Details of secured Loans as at Dec 31, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure - VII);
 - v. Details of Unsecured Loans as at Dec 31, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure - VIII);
 - vi. Details of Current Liabilities and Provisions as at Dec 31, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure IX);
 - vii. Details of Share Capital as at Dec 31, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 – (Annexure – X);
 - viii. Details of Reserves and Surplus as at Dec 31, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 – (Annexure - XI)
 - ix. Details of Other Income for the period ended Dec 31, 2010 and for each of the years ended March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XII);
 - x. Statement of Accounting Ratios for the period ended Dec 31, 2010 and for each of the years ended March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XIV);
 - xi. Statement of Tax Shelter for the period ended Dec 31, 2010 and for each of the years ended March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XV);
 - xii. Capitalisation Statement as at Dec 31, 2010 and March 31, 2010 (Annexure XVI);
 - xiii. Details of Dividend paid by the Company for the period ended Dec 31, 2010 and for each of the years ended March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XVII);
 - xiv. Details of Related Party Disclosure for the period ended Dec 31, 2010 and for each of the years ended March 31, 2010, 2009, 2008, 2007 and 2006 as appearing in Note C (16) in Annexure XIII.
 - xv. Statement of reconciliation of Profits and Losses for the period ended Dec 31, 2010 and for each of the years ended March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XVIII);

together referred to as “Unconsolidated Other Financial Information”

8. In our opinion, the Restated Summary Statements and the Unconsolidated Other Financial Information mentioned in paragraph (4) & (7) above, read with Significant Accounting Policies and Notes as annexed to this report, and after making such adjustments as are considered appropriate, and read with our comment in

paragraph 6(D) above have been prepared in accordance with Part II (B) of Schedule II of the Act and the ICDR Regulations.

9. This report should not, in any way, be construed as a reissuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.
10. This report is intended solely for your information and for inclusion in the DRHP in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Chaturvedi Sohan & Co.
Chartered Accountants
(Registration No. 118424 W)

Sohan Chaturvedi
Partner
Membership No. 30760

Place: Mumbai
Date: 16th March 2011

Annexure – I

Summary Statement of Assets and Liabilities - Restated

₹ in million

Particulars	Annexure	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Fixed Assets							
Gross Block		0.47	-	-	-	-	-
Less: Depreciation		0.01	-	-	-	-	-
Net Block		0.46	-	-	-	-	-
Deferred Tax Assets		0.20	-	-	-	-	-
Investments	IV	12221.07	9994.88	0.65	0.60	-	-
Current Assets, Loans and Advances							
Sundry Debtors	V	169.10	1.48	1.36	65.96	65.94	65.95
Cash and Bank Balances		202.02	0.28	16.33	0.38	1.15	0.36
Loans and Advances	VI	9042.13	3649.75	64.88	0.20	0.01	101.87
Total (A)		21634.98	13646.39	83.22	67.14	67.10	168.18
Share Application Money Received		-	48.46	-	-	-	-
Liabilities and Provisions							
Secured Loan	VII	1500.00	-	-	-	-	-
Unsecured Loan	VIII	-	30.27	80.23	65.73	65.28	102.40
Current Liabilities and Provisions	IX	167.87	16.58	2.17	1.23	1.67	65.94
Total (B)		1667.87	95.31	82.40	66.96	66.95	168.34
Net Worth	A-B	19967.11	13551.08	0.82	0.18	0.15	(0.16)
Represented By							
Share Capital	X	14627.84	238.94	0.10	0.10	0.10	0.10
Share Capital Suspense Account		-	10086.62	-	-	-	-
Reserves & Surplus	XI	5377.22	3225.52	0.72	0.08	0.05	(0.26)
Less :		37.95	-	-	-	-	-
Miscellaneous Expenditure not written off							
Net Worth		19967.11	13551.08	0.82	0.18	0.15	(0.16)

Note: The above statement should be read in conjunction with the significant Accounting Policies, Notes to Statement of Assets & Liabilities, Statement of Profits and Losses and Statement of Cash Flows as appearing in Annexure XIII.

Annexure – II

Summary Statement of Profits and Losses – Restated

₹ in million

Particulars	Annexure	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Income							
Sales		252.60	-	-	-	-	-
Other Income	XII	111.41	2.83	1.59	0.06	0.59	0.03
		364.01	2.83	1.59	0.06	0.59	0.03
Expenditure							
Purchase of Traded Goods		247.06	-	-	-	-	-
Remuneration and benefits to Employees		10.10	-	-	-	-	-
Administrative and Other Expenses		1.15	1.18	0.01	0.01	0.03	0.02
Interest and Financial Charges		105.17	0.18	0.66	-	-	0.01
Depreciation		0.01	-	-	-	-	-
		363.49	1.36	0.67	0.01	0.03	0.03
Net Profit/(Loss) before Tax and Extraordinary Items		0.52	1.47	0.92	0.05	0.56	-
Extraordinary Items		-	-	-	-	-	-
Net Profit/(Loss) before Tax and after Extraordinary Items		0.52	1.47	0.92	0.05	0.56	-
Deferred Tax		(0.20)	-	-	-	-	-
Provision for Taxation		0.16	0.87	0.28	0.02	0.25	-
Net Profit/(Loss) after Tax		0.56	0.60	0.64	0.03	0.31	-
Add : Balance brought forward		1.32	0.72	0.08	0.05	(0.26)	(0.26)
Balance carried to Balance Sheet		1.88	1.32	0.72	0.08	0.05	(0.26)

Note: The above statement should be read in conjunction with the significant Accounting Policies, Notes to Statement of Assets & Liabilities, Statement of Profits and Losses and Statement of Cash Flows as appearing in Annexure XIII.

Annexure – III

Summary Statement of Cash Flows – Restated

₹ in million

Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Cash Flow from Operating Activities						
Net Profit before tax as per Profit and Loss Account	0.52	1.47	0.92	0.05	0.56	-
<u>Adjustments for :</u>						
Depreciation	0.01	-	-	-	-	-
Interest Received	(107.49)	-	-	-	-	-
Interest Expenses	105.17	0.18	0.66	-	-	-
Profit on Sale of Investment	(0.01)	-	-	-	-	-
Operating Profit before Working Capital Change	(1.80)	1.65	1.58	0.05	0.56	-
<u>Adjustments for :</u>						
Trade and Other Receivables	(52.24)	(0.12)	14.60	(0.03)	101.88	(110.55)
Trade Payables	151.13	6.56	0.66	(0.45)	(64.53)	0.01
Cash generated from operations	97.09	8.09	16.84	(0.43)	37.91	(110.54)
Direct taxes paid (including TDS) / Refund	(14.82)	(0.52)	(0.18)	(0.19)	(0.00)	(0.00)
Deferred Revenue Expenses	(37.95)	-	-	-	-	-
Net Cash Flow from Operating Activities	44.32	7.57	16.66	(0.62)	37.91	(110.54)
Cash Flow from Investing Activities						
Purchase of Fixed Assets	(0.47)	-	-	-	-	-
Purchase of Investments	-	(74.09)	(0.65)	(0.60)	-	-
Investment in Share Application Money	(6173.69)	(204.18)	(14.50)	-	-	-
Long Term Loan	(1561.51)	-	-	-	-	-
Sale of Investments	16.08	-	0.60	-	-	65.92
Interest Received	107.49	-	-	-	-	-
Net Cash Flow from Investing Activities	(7612.10)	(278.27)	(14.55)	(0.60)	-	65.92
Cash Flow from Financing Activities						
Proceeds from Issue of Share Capital including Share Premium	6404.96	287.29	-	-	-	-
Share Application Money received	-	17.50	-	-	-	-
Long Term Borrowings	1500.00	-	-	-	-	-
Short Term Loans	(30.27)	(49.96)	14.50	0.45	(37.12)	44.82
Interest Paid	(105.17)	(0.18)	(0.66)	-	-	-
Net Cash Flow from Financing Activities	7769.52	254.65	13.84	0.45	(37.12)	44.82
Net Increase in Cash and Cash Equivalents	201.74	(16.05)	15.95	(0.77)	0.79	0.20
Cash and Cash Equivalents (Opening Balance)	0.28	16.33	0.38	1.15	0.36	0.16
Cash and Cash Equivalents (Closing Balance)	202.02	0.28	16.33	0.38	1.15	0.36
Net Increase	201.74	(16.05)	15.95	(0.77)	0.79	0.20

Notes:

5. The above statement should be read in conjunction with the significant Accounting Policies, Notes to Statement of Assets & Liabilities, Statement of Profits and Losses and Statement of Cash Flows as appearing in Annexure XIII.
6. Transactions arising on account of Amalgamation of Abhijeet Infra Limited with the Company, being non cash transaction, are not considered for the purpose of Cash Flow Statement for the year ended 31st March, 2010.
7. The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in Accounting Standard - 3 “Cash Flow Statements,” issued by the Institute of Chartered Accountants of India.
8. Figures in brackets indicate Outflows.

Annexure – IV

Details of Investments

₹ in million						
Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
<u>Long Term Investments</u>						
<u>In Equity Shares – Other than Trade</u>						
<u>(Unquoted)</u>						
In Subsidiary Companies						
Jas Infrastructure and Power Limited	100.17	74.09	-	-	-	-
Abhijeet MADC Nagpur Energy Private Limited	5603.23	5297.42	-	-	-	-
In Joint Venture						
Corporate Power Limited	6516.67	4607.30	-	-	-	-
<u>Current Investments</u>						
<u>In Equity Shares - Other than Trade</u>						
<u>(Unquoted)</u>						
In Subsidiary Companies						
Abhijeet North Eastern Projects Limited	-	0.26	-	-	-	-
Abhijeet Bengal Hydel Energy Limited	-	0.38	-	-	-	-
Abhijeet Bengal Green Energy Limited	-	0.38	-	-	-	-
Others						
Jayaswals Ashoka Infrastructure Private Limited	-	14.40	-	-	-	-
<u>In Units- Unquoted</u>						
Mutual Funds	1.00	0.65	0.65	0.60	-	-
Total	12221.07	9994.88	0.65	0.60	-	-

Annexure – V

Details of Sundry Debtors

₹ in million						
Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
(Unsecured and Considered Good)						
Due for a period exceeding six months	0.37	-	-	65.96	65.94	-
Other Debts	168.73	1.48	1.36	-	-	65.95
Total	169.10	1.48	1.36	65.96	65.94	65.95
Amount due from Promoters/ Promoters Group, Group Companies/ Subsidiaries, Associates and Directors included in Sundry Debtors:						
Abhijeet Infrastructure Limited	3.27	-	1.36	-	-	-
Corporate Ispat Alloys Limited	-	-	-	-	-	0.02
	3.27	-	1.36	-	-	0.02

Annexure – VI

Details of Loans and Advances

₹ in million

Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
(Unsecured and Considered Good)						
Inter-corporate Deposits	1561.51	-	-	-	-	-
Advances recoverable in cash or in kind or for value to be received.	0.56	116.13	50.00	-	-	101.87
Share Application Money	7464.39	3532.96	14.50	-	-	-
Advance Income Tax (including Tax deducted at source)	15.48	0.66	0.38	0.20	0.01	-
Balance with Central Excise Authorities	0.19	-	-	-	-	-
Total	9042.13	3649.75	64.88	0.20	0.01	101.87
Amount due from Promoters/ Promoters Group, Group Companies/ Subsidiaries, Associates and Directors included in Loans and Advances:						
Jas Infrastructure and Power Limited	5982.04	172.18	-	-	-	-
Corporate Power Limited	1561.51	1826.82	-	-	-	-
Abhijeet Mining Limited	-	-	14.50	-	-	-
Abhijeet MADC Nagpur Energy Private Limited	1482.35	1533.96	-	-	-	-
Abhijeet Projects Limited	-	66.13	-	-	-	-
	9025.90	3599.09	14.50	-	-	-

Annexure – VII

Details of Secured Loan

₹ in million						
Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Term Loan :						
From Financial Institution	1500.00	-	-	-	-	-
Total	1500.00	-	-	-	-	-

Notes:

Term Loan referred above is secured by way of pledge of 23% of shares of Abhijeet MADC Nagpur Energy Private Limited. These loans are further secured by lien on fixed deposit of ₹ 60 millions and mortgage of immovable properties in the name of Abhijeet Projects Limited. The loan is also secured by way of personal guarantee of one of the Director of the Company.

Terms of the Secured Loans

Sr. No	Lenders	Particulars	Amount Outstanding as of 31.12.10 (in ₹ million)	Interest rate (In % p.a.)	Tenure (years)	Repayment
1.)	SREI Infrastructure Limited ("SREI")	Rupee loan agreement, dated June 30, 2010	1,500.00	SREI benchmark rate minus 1.5%	3	Bullet repayment at the end of three years from date of disbursement. SREI has a call option for early repayment.

Annexure – VIII

Details of Unsecured Loan

₹ in million						
Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Inter-corporate Deposits	-	30.27	80.23	65.73	65.28	102.40
Total	-	30.27	80.23	65.73	65.28	102.40
Amount due to Promoters/ Promoters Group, Group Companies/Subsidiaries, Associates and Directors included in Unsecured Loans	-	30.27	65.73	65.73	65.28	102.40

Notes:

1. Loans taken are interest free loans and are payable on demand.
2. Loans have been taken from Abhijeet Infrastructure Limited, a Company in which directors are interested.

Annexure – IX**Details of Current Liabilities and Provisions**

₹ in million						
Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
A) Current Liabilities						
Sundry Creditors	159.96	0.01	0.92	0.92	0.90	65.92
Other Liabilities	3.31	12.87	0.70	0.04	0.52	0.02
	163.27	12.88	1.62	0.96	1.42	65.94
B) Provisions						
Provision for Taxation	3.86	3.70	0.55	0.27	0.25	-
Provision for Employees Benefits	0.74	-	-	-	-	-
	4.60	3.70	0.55	0.27	0.25	-
Total	167.87	16.58	2.17	1.23	1.67	65.94

Annexure – X

Details of Share Capital

₹ in million						
Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Equity Share Capital						
Authorised :						
Face Value : ₹10/- each	101300.00	1540.00	20.00	20.00	20.00	20.00
Issued and Subscribed :						
Face Value : ₹10/- each	14627.84	287.40	0.10	0.10	0.10	0.10
Paid Up :						
Face Value : ₹10/- each	14627.84	238.94	0.10	0.10	0.10	0.10

Notes:

- 1) Of the above shares, 100,86,61,680 Equity Share of ₹10/- each fully paidup are issued to the Equity Share Holders of Abhijeet Infra Limited without payment being received in cash pursuant to the Composite Scheme of Arrangement (“the Scheme”) under sections 391 to 394 of the Companies Act, 1956 between the Company, Abhijeet Infra Limited (AINL) and Abhijeet Projects Limited (APRL) sanctioned by the Hon'ble High Court of Calcutta vide its order dated 25th August, 2010 and filed with the Registrar of the Companies (ROC) on 18th October, 2010.
- 2) Authorised Share Capital of the Company stands increased by ₹1300 million pursuant to the sanction of the Scheme by the High Court at Calcutta vide its order dated 25th August, 2010.
- 3) Issued and Subscribed Share Capital includes Share Application Money of ₹ 48.46 million received by the Company and is pending for allotment as on 31st March, 2010.
- 4) Abhijeet Mining Limited is Holding 1,065,751,826 and 2,34,81,000 Equity Shares of ₹10/- each as on 31st December, 2010 and 31st March, 2010 respectively.
- 5) Abhijeet Mining Limited is also jointly holding 363,121,200 Equity Shares of ₹10/ each, with Corporate Ispat Alloys Limited Equity Shares of ₹10/- each as on 31st December, 2010.

Annexure – XI

Details of Reserves and Surplus

₹ in million						
Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Share Premium Account						
Premium on issue of Equity Shares	2199.60	48.46	-	-	-	-
Capital Reserve on Amalgamation#	3175.74	3175.74	-	-	-	-
Profit and Loss Account	1.88	1.32	0.72	0.08	0.05	(0.26)
Total	5377.22	3225.52	0.72	0.08	0.05	(0.26)

Represents excess of fair value of net assets taken over by the Company over the paid-up value of Equity Shares issued and allotted pursuant to “the Scheme”.

The Company has no Revaluation Reserve.

Annexure – XII

Details of Other Income

₹ in million

Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06	
Related to Business							
Commission Received	3.91	1.33	1.53	-	-	-	Recurring
Profit on Future Trading of Commodities	-	1.48	-	-	-	-	Non-Recurring
Profit on Sale of Investment	0.01	-	0.05	-	0.58	-	Recurring
Other Miscellaneous Receipts	-	-	-	0.06	-	0.03	Non-Recurring
Sub-total	3.92	2.81	1.58	0.06	0.58	0.03	
Not Related to Business							
Interest Received	107.49	0.02	0.01	-	0.01	-	Recurring
Sub-total	107.49	0.02	0.01	-	0.01	-	
Total	111.41	2.83	1.59	0.06	0.59	0.03	
Profit before Tax as per Profit & Loss Account	0.52	1.47	0.92	0.05	0.56	-	
Total Other Income as % of PBT	21425%	193%	173%	120%	105%	-	

Annexure – XIII

Significant Accounting Policies, Notes to Statement of Assets & Liabilities, Statement of Profit & Loss Account and Statement of Cash Flows, as Restated:

A. Statement of Significant Accounting Policies

1. Basis of Accounting

The Financial Statements are prepared on accrual basis under the historical cost convention, in conformity in all material aspects with the generally accepted accounting principles in India and applicable Accounting Standards.

2. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affects the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialised.

3. Revenue Recognition

Commission and Profit on Future Trading of Commodities are recognised based on contractual agreements with the parties and when the same are earned. Sales revenue is recognised when significant risk and reward of ownership is transferred to the buyer. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

4. Contingent Liability

Contingent liability is not accounted for in the books of accounts; however, the same is quantified and covered in notes to accounts.

5. Provision for Taxation

The provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961.

Deferred tax assets and liabilities are recognized, subject to prudence, on timing differences, being the difference between taxable incomes and accounting income, that originates in one period and is capable of reversal in one or more subsequent periods and quantified using the tax rates and laws enacted or substantively enacted by the reporting date. Deferred tax assets are recognized only if there is virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

6. Investments

Current Investments are carried at lower of cost or quoted value. Long term investments are carried at cost. Provision for diminution in value of long term investments is made only if such decline is other than temporary.

7. Other Accounting Policies

These are consistent with generally accepted accounting practices.

B. Material Adjustments

a. Prior Period Expenses

For the purpose of the Restated Summary Statements, Prior Period items have been appropriately adjusted in the respective years to which they relate.

b. Preliminary Expenditure

For the limited purpose of including in the Draft Red Herring Prospectus (DRHP), in the restated financial information, Preliminary Expenses have been charged to Profit and Loss Account in the year in which it was incurred as against shown in the audited financial statements under “Miscellaneous Expenditure (to the extent not written off or adjusted).

c. Material Regroupings

Appropriate adjustments have been made in the restated financial information, wherever required, by a reclassification of the corresponding items of assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the company for the period ended 31st December, 2010.

C. Selected Notes to the summary statement of Assets and Liabilities - Restated and Summary Statement of Profits & Losses - Restated for period ended on 31st December, 2010 and for each of the year ended on 31st March, 2010, 2009, 2008, 2007 and 2006

1. Pursuant to the Composite Scheme of Arrangement (“the Scheme”) under sections 391 to 394 of the Companies Act, 1956 between the Company, Abhijeet Infra Limited (AINL) and Abhijeet Projects Limited (APRL) sanctioned by the Hon'ble High Court of Calcutta vide its order dated 25th August, 2010, the Power business of AINL have been amalgamated with the Company. Consequently, the assets and liabilities of the AINL (Power Business) have been transferred and vested into the Company with effect from the appointed date i.e. 31st March, 2010. The financial statements have been prepared by giving the said effects.
2. All the assets and liabilities as appearing in the books of Power Division of AINL as on the appointed date have been recorded at their respective fair values by the Company in terms of Purchase Method of accounting as prescribed in Accounting Standard 14 (AS-14), “Accounting for Amalgamations” issued by the Institute of Chartered Accountants of India.
3. 1008661680 Equity Shares of ₹ 10/- each, fully paid up are issued to the Equity share holders of AINL whose names are registered in the Register of Members on appointed date, without payment being received in cash. These shares will be allotted subsequently and the face value of such shares has been shown as Share Capital Suspense Account.
4. Excess of fair value of net assets taken over by the Company over the paid-up value of Equity Shares to be issued and allotted (as referred to in 3 above) of ₹3175.74 million has been credited to Capital Reserve account.
5. The Company has not received information from creditors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure as required under the Companies Act, 1956 relating to amounts unpaid as at the year/period end together with interest paid/payable thereon have not been given.
6. In the opinion of the management, Current Assets, Loans and Advances are of the value stated, if realised in the ordinary course of business.
7. Figures of the previous accounting years have been regrouped, rearranged and reclassified wherever necessary.

8. The Company has not claimed deduction for Preliminary Expenses incurred by it u/s 35D of the Income Tax Act, 1961 considering the materiality of the amount to be allowed as deduction under Income Tax. Hence the Company has not calculated deferred tax asset on the same.
9. 5,86,50,000 and 3,27,40,290 Equity Shares in Abhijeet MADC Nagpur Energy Private Limited (a subsidiary of the Company), included in Investments are held jointly with Abhijeet Infrastructure Limited, a Company in which directors are interested as on 31st December 2010 and 31st March, 2010 respectively. However, voting rights for the same vests with the Company.
10. The Company has pledged 3,75,67,268 and 2,27,40,290 Equity Shares of Abhijeet MADC Nagpur Energy Private Limited, a subsidiary of the Company, to the lenders of AMNEPL as on 31st December, 2010 and 31st March, 2010 respectively. 1,69,42,332 Equity Shares of AMNEPL are pledged to the Financial Institution against the Term Loan of the Company as on 31st December, 2010.
11. The Company has given undertaking to the lenders of Corporate Power Limited (CPL), its joint venture, to make Equity contribution from time to time to meet the project cost of CPL to the extent of 49% of its share in Joint Venture.
12. Interest in Joint Venture :-

The company has accounted for the investments in joint ventures in Corporate Power Limited (CPL) in accordance with accounting standard – 13, Accounting for Investments.

The Company's share of the aggregate amounts of assets, liabilities, contingent liabilities and estimated amount of contracts remaining to be executed on capital account as at 31st March, 2010 related to its interest in CPL are as under :-

₹ in million						
Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Assets	9702.49	2657.18	-	-	-	-
Liabilities (excluding share capital and reserves & surplus)	7778.65	2643.39	-	-	-	-
Contingent liabilities	423.72	60.04	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account	27324.58	7973.36	-	-	-	-

13. **Contingent liability not provided for in respect of:**

₹ In million						
	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Corporate Guarantee	3000.00	-	-	-	-	-
(Given to Bank for the loan taken by subsidiary company)						

14. **a. Managerial Remuneration #**

₹ In million						
	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Salaries	6.63	-	-	-	-	-
Contributions to Provident Fund	0.57	-	-	-	-	-
	7.20	-	-	-	-	-

The Company is not required to obtain approval from the Central Government in view of amendment made in Schedule XIII of the Companies Act, 1956 vide Gazette of India Notification G.S.R. 70 (E) published on 8th February, 2011 for payment of Managerial Remuneration.

- b. The computation of Net Profit for the purpose of Directors Remuneration u/s. 349 of the Companies Act, 1956 has not been enumerated since no commission has been paid to directors. Fixed managerial remuneration has been paid to the Whole Time Directors of the Company.

15. Segment Reporting:

A) Segment information as per Accounting Standard - 17 on Segment Reporting:

Information provided in respect of revenue items for the period ended 31st December, 2010 and in respect of assets / liabilities as at 31st December, 2010.

I. Information about Primary (Product wise) segments:

₹ In million					
		Coal Trading	Investment	Unallocated	Total
1.	REVENUE				
	External Sales	252.60	-	-	252.60
	Inter-Segment Sales	-	-	-	-
	Total Revenue	252.60	-	-	252.60
	RESULTS				
2.	Segment Results	5.54	-	-	5.54
	Unallocated Corporate Expenses	-	-	11.26	11.26
	Operating Profit	5.54	-	(11.26)	(5.72)
	Interest Expenses and Financial Charges	-	-	105.17	105.17
	Interest Income	-	-	107.49	107.49
	Profit on Sale of Mutual Fund	-	-	0.01	0.01
	Other Income	-	-	3.91	3.91
	Profit before Tax	5.54	-	(5.02)	0.52
	Provision for Income Tax - Net	-	-	0.16	0.16
	Deferred Tax	-	-	(0.20)	(0.20)
	Net Profit	5.54	-	(4.98)	0.56
3.	OTHER INFORMATION				
	Segment Assets	165.82	19723.41	-	19889.23

		Coal Trading	Investment	Unallocated	Total
	Unallocated Corporate Assets	-	-	1783.69	1783.69
	Total Assets	165.82	19723.41	1783.69	21672.92
	Segment Liabilities	159.81	-	-	159.81
	Unallocated Corporate Liabilities	-	-	1508.06	1508.06
	Total Liabilities	159.81	-	1508.06	1667.87
	Capital Expenditure	-	-	-	-
	Depreciation	0.01	-	-	-
	Non Cash Expenses other than Depreciation	-	-	-	-

Note:- The Company has identified reportable segment during the period ended on 31st December,2010 only. Accordingly corresponding previous year figures have not been given.

B) Segment Identification, Reportable Segments and definition of each segment:

i) Primary/ Secondary Segment Reporting Format:

The risk return profile of the Company's business is determined predominantly by the nature of its product. Accordingly, the business segments constitute the Primary Segments for the disclosure of segment information.

ii) Reportable Segments:

Segments have been identified and reported taking into account the differing risks and returns, nature of the products, the organisational structure and the internal reporting system of the Company.

iii) Segment Composition :

Power Segment includes Power Plant at Chandwa (Jharkhand), Banka (Bihar) and Khairi Khurd (Maharashtra) are being commissioned by way of strategic investment through its subsidiaries and joint venture.

Other includes coal trading activities and commission earned through steel trading.

16. Related Parties (As per Accounting Standard - 18)

A. Related Parties

i. Holding Company

Abhijeet Mining Limited (w.e.f. 24th March, 2010)

ii. Subsidiary Companies

Jas Infrastructure and Power Limited (w.e.f. 25th March, 2010)
 Abhijeet MADC Nagpur Energy Private Limited
 Abhijeet North Eastern Projects Limited*
 Abhijeet Bengal Green Energy Limited*
 Abhijeet Bengal Hydal Energy Limited*

* Ceases to exist as Subsidiary w.e.f. 30th April, 2010.

iii. Key Management Personnel

Shri Manoj Jayaswal
 Shri Abhishek Jayaswal
 Shri Abhijeet Jayaswal

iv. Joint Venture

Corporate Power Limited

v. Enterprises in which Key Management Personnel and their relatives are able to exercise significant influence (Other Related Parties)

Abhijeet Infrastructure Limited	Abhijeet Hazaribagh Toll Road Limited
Corporate Ispat Alloys Limited	Abhijeet Roads Limited
Jayaswals Ashoka Infrastructure Private Limited	Abhijeet Ventures Limited
Abhijeet Projects Limited	Jas Toll Road Company Limited
AE Coal Technologies India Private Limited	Global Powmin Limited
Mahuagarhi Coal Company Private Limited (JV of Subsidiary Jas Infrastructure and Power Limited)	

B. Disclosure of Related Party Transactions:

1. Transactions with Holding Company:

₹ in million						
Nature of transaction	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Share Application Money Received	-	48.46	-	-	-	-

2. Transactions with Subsidiaries:

₹ in million						
Nature of transaction	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
1. Investments	5703.4	5372.53	-	-	-	-
a. Purchase of Investments	326.64	73.39	-	-	-	-

Nature of transaction	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
b. Investment transferred on Amalgamation	-	5298.44	-	-	-	-
2. Share Application Money Given	7464.39	1706.14	-	-	-	-

3. Transactions with Joint Venture:

₹ in million

Nature of transaction	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
1. Investment	6516.67	4607.30	-	-	-	-
2. Purchase of Investment	1909.37	-	-	-	-	-
3. Investment transferred on Amalgamation	-	4607.30	-	-	-	-
4. Share Application Money Given	-	1826.82	-	-	-	-
5. Advances recoverable in cash or in kind	1561.51	-	-	-	-	-
6. Interest Received	105.16	-	-	-	-	-

4. Transactions with Other Related Parties:

₹ in million

Nature of transaction	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
1. Unsecured Loan						
Taken during the year	-	-	-	0.46	-	44.82
Returned during the year	30.27	35.47	-	-	37.12	-
Closing Balance	-	30.27	65.73	65.73	65.28	102.40
2. Investments	-	14.40	-	-	-	-
3. Purchase of	0.61	-	-	-	277.09	-

Nature of transaction	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Investments						
4. Investment transferred on Amalgamation	-	14.40	-	-	-	-
5. Sale of Investments	14.40	-	-	-	277.67	-
6. Sundry Debtors						
Closing Balance	3.27	-	1.36	-	-	0.02
7. Advances recoverable in cash or in kind	-	66.13	-	-	-	-
8. Share Application Money Given	-	-	14.50	-	-	-
9. Current Liabilities	-	-	0.92	0.92	0.90	65.92
10. Commission Received	3.91	1.33	1.53	-	-	-

5. Transactions with Key Managerial Personnel & Relatives:

₹ in million						
Nature of transaction	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
1. Purchase of Investments	0.09	0.70	-	-	-	-
2. Payment to Directors	7.20	-	-	-	-	-

Disclosure of Related Party Transactions

₹ in million						
GRAND TOTAL						
Nature of transaction	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
1. Share Application Money Received						
Closing Balance	-	48.46	-	-	-	-
2. Unsecured Loan						
Taken during the year	-	-	-	0.46	-	44.82

Nature of transaction	GRAND TOTAL					
	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Returned during the year	30.27	35.47	-	-	37.12	-
Closing Balance	-	30.27	65.73	65.73	65.28	102.40
3. Investments	12220.07	9994.23	-	-	-	-
4. Purchase of Investments	2236.71	74.09	-	-	277.09	-
5. Investment transferred on Amalgamation	-	9920.14	-	-	-	-
6. Sale of Investments	14.40	-	-	-	277.67	-
7. Sundry Debtors						
Closing Balance	3.27	-	1.36	-	-	0.02
8. Share Application Money Given	7464.39	3532.96	14.50	-	-	-
9. Advances recoverable in cash or in kind	1561.51	66.13	-	-	-	-
10. Current Liabilities	-	-	0.92	0.92	0.90	65.92
11. Interest Received	105.16	-	-	-	-	-
12. Income	3.91	1.33	1.53	-	-	-
13. Payment to Directors	7.20	-	-	-	-	-

Note: Transactions with Relatives of Directors not having significant control over the policies of the Company have not been considered.

17. **The breakup of Deferred tax Assets and Deferred Tax Liabilities into major components of respective balances is an under:**

		₹ in million					
		31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
	Deferred Tax Liabilities						
a.	Related to Fixed Assets	0.03	-	-	-	-	-
		0.03	-	-	-	-	-
	Deferred Tax Assets						
b.	Disallowance under Income Tax, 1961	0.23	-	-	-	-	-
		0.23	-	-	-	-	-
c.	Net Deferred Tax Assets	0.20	-	-	-	-	-

18. Payment to Auditors

	₹ in million					
	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Audit Fees	0.38	0.01	0.01	0.01	0.01	0.01
	0.38	0.01	0.01	0.01	0.01	0.01

19. Quantitative information in respect of Opening Stock, Purchases, Closing Stock and Sales of Finished Goods, and Consumption of Raw Materials (as certified by the management):

	₹ in million					
	31.12.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
a) Purchases						
Coal & Coke						
Quantity (M.T.)	77115.35	-	-	-	-	-
Amount	247.06	-	-	-	-	-
b) Sales and Services						
Coal & Coke						
Quantity (M.T.)	77115.35	-	-	-	-	-
Amount	252.60	-	-	-	-	-

20. Expenditure in Foreign Currency

	₹ in million					
	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Legal and Professional Charges	3.33	-	-	-	-	-
	3.33	-	-	-	-	-

Annexure – XIV

Statement of Accounting Ratios

₹ in million except per share data

Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Net Profit after tax as per Restated Profit and Loss Account	0.56	0.60	0.64	0.03	0.31	-
Weighted average number of Equity Shares outstanding - For Basic EPS	1131117040	367386	10000	10000	10000	10000
Weighted average number of Equity# Shares outstanding - For Diluted EPS**	1334497941	3144120	10000	10000	10000	10000
Number of Equity Shares outstanding at end of the year/period	1462784356	23893846	10000	10000	10000	10000
Net Worth***	16791.37	10375.34	0.82	0.18	0.15	(0.16)
Accounting Ratios *						
Earnings Per Equity Share - Basic	0.0005	1.63	64.00	3.00	31.00	-
- Diluted	0.0004	0.19	64.00	3.00	31.00	-
Return on Net Worth (1)/(5) %	0.003	0.005	78.05	16.67	206.67	-
Net Asset Value Per Share (₹) (5)/(4)	11.48	434.23	82.00	18.00	15.00	(16.00)

Weighted average number of Equity Shares for calculating Diluted EPS is based on the assumption that the Shares will be allotted at par against the Share Application Money received.

* The ratios have been computed as under :

Basic/Diluted Earnings per share (₹)	Earnings attributable to Equity Shareholders
	Weighted average number of Equity Shares outstanding for basic/diluted EPS
Return on Net Worth (%)	Net Profit after Tax ,as restated
	Net Worth, as restated, at the end of the year
Net Asset Value per share (₹)	Net Worth
	Number of Equity Shares outstanding at the end of the year

**1008661680 number of Equity Shares appearing in Share Capital Suspense Account as on 31st March, 2010 are allotted to the Shareholders of Abhijeet Infra Limited as per the Composite Scheme of Arrangement sanctioned by Calcutta High Court have been considered for calculation of Diluted EPS for the year ended on 31st March, 2010.

*** Net Worth as on 31st December and 31st March, 2010 excludes Capital Reserve on Amalgamation of ₹3175.74 million.

Annexure – XV

Statement of Tax Shelter

₹ in million

Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Net Profit/(Loss) as per restated accounts	0.52	1.47	0.92	0.05	0.56	-
2. Tax at Applicable Rate (in %)	30.90%	30.90%	30.90%	30.90%	33.66%	33.66%
3. Tax at Notional Rate	0.16	0.45	0.28	0.02	0.19	-
4. Adjustments :						
<u>Permanent Differences</u>						
Other Adjustments	-	1.10	-	-	0.19	-
Net Adjustments	-	1.10	-	-	0.19	-
5. Tax Savings thereon +/(-)	-	0.34	-	-	0.06	-
6. Current Tax	0.16	0.79	0.28	0.02	0.25	-
7. Interest u/s 234B and 234C	-	0.08	-	-	-	-
8. Total Current Tax	0.16	0.87	0.28	0.02	0.25	-

Annexure – XVI

Capitalisation Statement

₹ in million

Particulars	Pre- issue as at 31.12.2010	As adjusted for issue
Short Term Debts	-	
Long Term Debts	1500.00	
Total debt	1500.00	
Shareholders' Funds		
Share Capital	14627.84	See note (5) below
Reserves		
Share Premium Account	2199.60	See note (5) below
Capital Reserve	3175.74	
Profit and Loss Account	1.88	
Total Shareholders' Funds	20005.06	
Long Term Debt / Equity	0.07	See note (5) below
Total Debt/ Shareholders' funds	0.07	See note (5) below

Notes:

1. Short term debts represent debts which are due within twelve months.
2. Long term debts represent debts other than short term debts, as defined above.
3. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company as at 31st December, 2010.
4. Long term Debt/ Equity = $\frac{\text{Long Term Debt}}{\text{Shareholder's Fund}}$
4. The corresponding post issue figures are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

Annexure – XVII**Details of Rates of Dividend**

₹ in million						
Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Class of Shares						
Equity Share Capital	14627.84	238.94	0.10	0.10	0.10	0.10
Face Value (₹/Share)	10	10	10	10	10	10
Dividend	Nil	Nil	Nil	Nil	Nil	Nil
Dividend Tax	Nil	Nil	Nil	Nil	Nil	Nil

Annexure – XVIII

Statement of Reconciliation of Profits/Losses

₹ in millions							
	Particulars	31.12.10	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
A	Profit/(Loss) after tax before Restatement Adjustment	0.53	0.50	0.54	0.00	0.34	(0.00)
B	Adjustments required by Paragraph IX(B) (9) (c) of Part A of Schedule VIII of ICDR Regulations						
	Restatement Adjustment relating to :						
	(a) Preliminary expenses	0.04	0.05	0.05	0.05	0.05	-
	(b) Profession Tax	-	0.01	(0.00)	(0.00)	(0.00)	0.00
	(c) Income tax adjustment	(0.01)	0.04	0.05	(0.02)	(0.08)	(0.00)
	Total	0.03	0.10	0.10	0.03	(0.03)	0.00
	Net Profit/(Loss) after Restatement Adjustments (A+B)	0.56	0.60	0.64	0.03	0.31	(0.00)

Note: Figures appearing as 0.00 represents less than ₹ 5,000/-

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our restated unconsolidated and consolidated financial statements, including the notes thereto, and other financial data appearing elsewhere in this Draft Red Herring Prospectus. You should also read the sections titled "Risk Factors" and "Forward-Looking Statements" beginning on pages 13 and 12, respectively, of this Draft Red Herring Prospectus which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

The following discussion is based on our restated unconsolidated financial statements as of and for the years ended March 31, 2010, 2009, 2008 and 2007 and our restated consolidated financial statements as of and for the nine months ended December 31, 2010 and the year ended March 31, 2010. Our audited and restated unconsolidated and consolidated financial statements are prepared in accordance with Indian GAAP, the accounting standards prescribed by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. Our Company's Fiscal Year ends on March 31 of each year. Unless otherwise stated, "Fiscal Year" or "Fiscal" refers to the twelve month period ending March 31 of that year.

Overview

We are a power project development company in India. We are currently developing three thermal power projects with a combined installed capacity of 2,671.6 MW in the states of Maharashtra, Jharkhand and Bihar. We intend to sell the power generated from these projects under a variety of off-take arrangements, including long, medium and short term PPAs to state owned and private distribution companies, private power trading companies and industrial consumers, and on merchant basis.

We are part of the Abhijeet Group, which has presence in various sectors. The Abhijeet Group has developed a 25 MW captive power project and a ferro alloys project in West Bengal, a road project in Karnataka and a bridge project in Maharashtra. We, in joint venture with CESC Limited ("CESC"), have been allocated a coal block in Jharkhand and one of our Promoters, Corporate Ispat Alloys Limited ("Corporate Ispat"), has been allocated a coal block in Jharkhand.

Pursuant to the Composite Scheme of Arrangement, the power business of Abhijeet Infra Limited ("AINL"), i.e., the equity shares of AMNEPL and CPL held by AINL, were transferred to the Company, with effect from March 31, 2010. For details, see "Composite Scheme of Arrangement" on page 221.

Our Power Projects

We currently have three coal fired power projects under various stages of development and planning:

- The MIHAN Power Project, being developed by our 74.00% owned Subsidiary, Abhijeet MADC Nagpur Energy Private Limited ("AMNEPL") near Khaire Khurd village, in Nagpur district, Maharashtra, will have four coal-fired sub-critical generating units of 61.5 MW each and 16 back-up diesel generator sets of 1.6 MW each, aggregating 25.6 MW ("back-up DG sets"), with a combined installed capacity of 271.6 MW. The engineering, procurement and construction ("EPC") contracts for the power project have been awarded to Abhijeet Projects Limited ("APRL"), a Group Company. In turn, APRL has awarded the boiler, turbine and generator ("BTG") contract to DF Power Systems Private Limited. The first, second and third units of 61.5 MW each were commissioned in January, May and April 2011, respectively. The fourth unit is expected to be commissioned by June 2011 and the back-up DG sets are expected to be fully commissioned by September 2011. To date, we have not received the consent to operate the third or fourth units.
- The Chandwa Power Project, being developed by Corporate Power Limited ("CPL"), a Joint Venture in which we have a 48.99% equity interest, at Chandwa in Latehar district, Jharkhand, will have four coal-fired sub-critical generating units of 270 MW each, with a combined installed capacity of 1,080 MW. The EPC contracts for the power project have been awarded to APRL. In turn, APRL has awarded the BTG

contract to Bharat Heavy Electricals Limited (“BHEL”). We expect that the first unit will be commissioned by September 2012, and the power project is expected to be fully commissioned by April 2014. In addition, we are planning to develop another unit with installed capacity of 660 MW at Chandwa.

- The Banka Power Project, being developed by Jas Infrastructure and Power Limited (“JIPL”) at Siriya village in Banka district, Bihar, will have two coal-fired super-critical generating units of 660 MW each, with a combined installed capacity of 1,320 MW. Our Company currently holds 94.40% of the outstanding equity interest of JIPL. Pursuant to a shareholders agreement dated October 29, 2010 our Company will hold 96.17% of the outstanding equity interest in JIPL upon the completion of the anticipated equity contributions from the shareholders of JIPL. The EPC contracts for the power project have been awarded to APRL. We expect that the first unit will be commissioned by June 2014, and that the power project is expected to be fully commissioned by October 2014. In addition, we are planning to develop two additional units of 660 MW each, aggregating to an installed capacity of 1,320 MW at Banka.

Consolidation

Our financial statements as of and for the Fiscal Year 2010 and the nine months ended December 31, 2010 consolidate the financial results of our Subsidiaries, Abhijeet MADC Nagpur Energy Private Limited, Jas Infrastructure and Power Limited and our Joint Venture, Corporate Power Limited and the Joint Venture of JIPL, Mahuagarhi Coal Company Private Limited. We acquired JIPL as of March 25, 2010. Pursuant to the Composite Scheme of Arrangement, the power business of AINL was amalgamated with our Company on March 31, 2010. In prior fiscal periods, we did not have any subsidiaries, hence our financial statements as of and for the Fiscal Years 2009, 2008, 2007 and 2006 are unconsolidated financial statements.

The table below sets forth our Company’s equity interest in Subsidiaries and Joint Venture:

Name of Entity	Equity Interest
Abhijeet MADC Nagpur Energy Private Limited*	74.00%
Corporate Power Limited	48.99%
Jas Infrastructure and Power Limited	94.40%

** AMNEPL is our Subsidiary, of which we control 74.0% of the shareholding (23.0% of the outstanding equity shares are held by our Company and 51.0% are held jointly by our Company as a beneficial and second holder, with AIL as the first holder).*

In addition, our Company’s Subsidiary, JIPL, has incorporated a 50:50 Joint Venture with CESC, Mahuagarhi Coal Company Private Limited. Our Company has no operations and will depend upon our operating Subsidiaries and Joint Venture, CPL, for cash. These Subsidiaries and Joint Venture may not be able to make funds available to us as a result of contractual or other limitations applicable to them.

Our historical financial statements as well as this discussion are of limited value to a prospective investor in evaluating our prospects or deciding whether to purchase our Equity Shares, because we are currently in the process of commissioning our first power project and hence have limited income from operations. Our Draft Red Herring Prospectus must be considered in light of the risks and uncertainties inherent in new business ventures. Additionally, you should not evaluate our prospects and viability based on the performance of our Promoters.

Significant Factors Affecting our Results of Operations

As a power project development company, our financial condition and results of operations are affected by numerous factors, the following of which are of particular importance:

- **Development status of our power projects.** Our three power projects are in various stages of development, with one project expected to be fully commissioned in 2011 and two projects expected to be fully commissioned in 2014. We expect to derive our revenues primarily from the sale of power subsequent to the commissioning of our power projects. The commissioning dates for our power projects are estimates and are subject to change as a result of, among other things, delay or inability to obtain financing,

contractor performance shortfalls, unforeseen engineering problems, force majeure events, unanticipated cost increases and delays in obtaining property rights and government approvals, any of which could also give rise to cost overruns or the termination of a project's development. The failure to complete development as planned, or in accordance with agreed specifications, could result in higher costs, penalties or liquidated damages, lower returns on capital or reduced future earnings.

- Availability of cost effective funding.** We have relied on capital contributions from our shareholders as well as incurrence of indebtedness to fund our business and we expect to continue to have limited operating cash flows in the Fiscal Year 2011. As of March 31, 2010 and December 31, 2010, we had total consolidated indebtedness in principal amount of ₹ 10,094.80 million and ₹ 21,412.52 million (including US\$ 11.99 million of United States Dollar denominated indebtedness for period ending March 31, 2010 and US\$ 18.05 million of United States Dollar denominated indebtedness for the period ending December 31, 2010), respectively, outstanding. Our plans for the development and construction of our power projects will require substantial capital expenditures, which we expect to fund through the Net Proceeds, additional debt and equity financing and, as our projects are completed, increasingly from operating cash flows. We currently estimate that in order to complete the three power projects that we are developing, we will be required to incur capital expenditures of approximately ₹ 148,641.50 million. In addition, we will incur significant additional capital expenditures to develop our planned power projects at Chandwa and Banka. Our debt service costs as well as our overall cost of funding depends on many external factors, including developments in the regional credit markets and, in particular, interest rate movements and the existence of adequate liquidity in the debt markets. We believe that going forward the availability of cost effective funding will be crucial and the non-availability of such funding at favourable terms could affect our business, financial condition and results of operations.
- Off-take arrangements and the terms of PPAs.** We currently plan to sell power pursuant to a mix of off-take arrangements, including long and medium term PPAs and merchant sales. Merchant sales include sale of power under short term PPAs and on spot basis. We intend to sell power to both state-run utility companies and industrial consumers pursuant to long and medium term off-take arrangements. We also intend to sell power on merchant basis. We believe that the combination of long and medium term agreements and merchant sales will provide optimal returns. Our long term PPAs provide and are expected to provide for among other things, pre-determined tariff, the amount of power we are obligated to sell and the amount of power our consumers are obligated to purchase. Tariff, in many cases, may also be regulated and with limited price escalation provisions, which could adversely affect us if our expenditures increase, notwithstanding our long-term fixed price coal supply contracts. Further, to the extent that we propose to sell power on merchant basis, we may be subject to the risk of fluctuations in the price of merchant power. See "Our Business – [•]" for a description of our off-take arrangements.
- Availability, quality and price of fuel supply.** The ability to source quality fuel at desirable prices, in light of electricity tariffs, is one of the key components in the success of our business, as cost of fuel is one of the most significant operating expenses. Western Coalfields Limited issued a letter to Maharashtra Airport Development Company Limited, a 26.0% equity holder in AMNEPL, requiring payment of a commitment guarantee of ₹ 113.34 million in order to issue a letter of assurance for procurement of the supply of coal, which has since been provided by AMNEPL. Western Coalfields is expected to provide a letter of assurance to AMNEPL with respect to the supply of coal. We have received a letter of assurance from Central Coalfields for supply of 1.99 MMTPA of Grade E coal to be used for the first two units of the Chandwa Power Project. CPL has also entered into a fuel supply agreement pursuant to which Corporate Ispat will supply the amount of coal required to operate the power project at 90.0% PLF, less any fuel obtained by CPL from other sources. For the Banka Power Project, we have incorporated a 50:50 Joint Venture with CESC Limited, Mahuagarhi Coal Company Private Limited, to develop the Mahuagarhi coal block for the supply of coal to the Banka Power Project. See "Our Business" on page 125 for a description of our fuel supply arrangements.
- Availability and cost of land.** The success of our business is dependent on, among other things, the availability and cost of procuring land for our power projects. The land requirement for the MIHAN Power Project is expected to be 315 acres, excluding land required for constructing the railway siding area. Under

the terms of the concession agreement with MADC, MADC will provide us with all land required apart from the ash dyke area of 161 acres. For the Chandwa Power Project and Banka Power Project, we require approximately 768 acres and 785.5 acres of land, of which approximately 460 acres and 460 acres have been acquired, respectively. In addition, we have not yet acquired any land for the development of the Mahuagarhi coal block. Our financial condition depends, in part, on obtaining affordable land in close proximity to fuel sources and proper power evacuation facilities where we can construct and operate our power projects and on and near to land having sources of coal for the development and operation of the Mahuagarhi coal block. Any government regulations that restrict the availability of land or increased competition for land may therefore adversely affect our operations.

- ***Availability of water.*** Water is critical to the operations of our power projects. The MIHAN Power Project will utilise water from the Wadgaon Dam, located on the Vena River, to meet its consumptive and cooling requirements. Our Chandwa Power Project has received approval for drawal of water from the Damodar River upstream from the Panchet Reservoir. The Banka Power Project has received approval for drawal of water from the Chandan Dam, located on the Chandan River. However, we have not yet entered into water supply agreements for our projects. In the event of water shortages, our power projects may be required to reduce their water consumption, which would reduce their power generation capability.
- ***Engineering, procurement and construction costs.*** We believe that any significant increase in the number of power generation projects under development in India will increase demand for third-party contractors and construction materials, which may affect the terms of our future construction contracts. The supply and price of construction materials will also depend on additional factors not under our control, including general economic conditions, competition, production levels, transportation costs and import duties.
- ***Availability of infrastructure for evacuation.*** Evacuation or “wheeling” power from our power projects to our consumers poses significant challenges due to transmission constraints. Evacuating power to a purchaser is either our responsibility or the responsibility of the purchaser, depending upon the identity of the purchaser, the location of the power project and other factors. We are currently constructing transmission lines connecting the MIHAN Power Project and the Chandwa Power Project to connect to state and central government sub-stations for evacuation of power. We have applied to PGCIL for the grant of long term open access for the transmission of power generated from our Banka Power Project. If such transmission lines are not made available by the time our power projects are ready to commence operation or we incur significant transmission costs, our financial position and results of operations could be adversely affected. For details, see “Our Business”.
- ***Dependence on the regulatory framework.*** The growth of the power industry in India as well as our business is dependent on stable government policies and prudent regulations. Power generation has historically been the domain of the central and state governments, and has been constrained by various factors such as shortages of public funding, political considerations and issues of transparency and accountability. Changes in government policies have facilitated the entry of private capital into the Indian power industry and have led to rapid growth in the sector. Further, the government’s focus has also led to an increase in captive power generation capacity in India. For further details, see the section “Regulations and Policies” and “Industry” beginning on page 204 and page 110, respectively.
- ***Compliance with environmental laws and regulations.*** Our power projects are subject to central and state environmental laws and regulations, which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. In case of any change in environmental or pollution laws and regulations, we may be required to incur significant amounts on, among other things, environmental monitoring, pollution control equipment and emissions management. In addition, failure to comply with environmental laws may result in the assessment of penalties and fines against us by regulatory authorities, including the cancellation of environmental approvals.

Our Significant Accounting Policies

Our financial statements are prepared under the historical cost convention on accrual and ongoing concern basis, in compliance with the accounting standards issued by the Institute of Chartered Accountants of India, in accordance with the generally accepted accounting principles in India, and provisions of the Companies Act, 1956.

Key accounting policies that are relevant and specific to our business and operations are described below:

- **Revenue recognition.** Sales revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer. Commission income and profit on future trading of commodities are recognised based on contractual agreements with the parties and when such income is earned. Interest income is recognized on a time proportion basis taking into account the amounts outstanding and the interest rates applicable.
- **Borrowing costs.** Borrowing costs that are attributable to the construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.
- **Fixed assets.** Fixed assets are stated at cost of acquisition including any attributable cost for bringing the assets to its working condition for its intended use, less accumulated depreciation. Borrowing costs directly attributable to qualifying assets and capital projects are capitalized and included in the cost of fixed assets.
- **Trial run expenditure.** Trial run expenditure prior to commissioning of the power project (net of revenue and income) is capitalised.
- **Depreciation.** Depreciation on fixed assets is provided on the straight line method at rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Intangible assets are amortised over a period of 3 years. Individual items of assets valuing less than ₹ 5,000 have been written off fully.
- **Investment.** Current investments are carried at lower of cost or quoted value. Long term investments are carried at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in nature.
- **Employee benefits.** The short term employee benefits are recognized as an expense at the undiscounted amount either as pre-operative expenses or in the profit and loss account of the period in which related service is rendered. Post employment and long term employee benefits are recognized as an expense either as pre-operative expenses or in the profit and loss account for the period in which the employees have rendered services and other statutory requirements are met. The expenses are recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains or losses in respect of post employment and other long term benefits are charged either as pre-operative expenses or in the profit and loss account.
- **Impairment of assets.** An asset is treated as impaired when the carrying cost of an asset exceeds its recoverable value. An impairment loss is charged to the profit and loss statement in the period in which an asset is identified as impaired.
- **Provisions, contingent liabilities and contingent assets.** Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.
- **Foreign exchange transactions.** Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. Outstanding foreign currency monetary items denominated in foreign currencies on the balance sheet are restated at the rate of exchange prevailing at the period end date. Any income or expense on account of difference in the exchange rate is charged to the profit and loss account or

pre operative expenses, as the case may be.

Our Results of Operations (Consolidated)

The following table sets forth selected financial data from our restated consolidated profit and loss statement for the periods indicated.

(₹ in million)

Particulars	For the Nine Months Ended December 31, 2010	For the Fiscal Year 2010
Income		
Income from Operations	252.60	-
Other Income	104.93	2.85
Total Income	357.53	2.85
Expenditures		
Purchase of Traded Goods	247.06	-
Remuneration and Benefits to Employees	10.10	-
Administrative and General Expenses	15.04	1.19
Interest and Financial Charges	53.67	0.19
Depreciation	2.23	-
Total Expenditure	328.10	1.38
Provision for Tax – Current Tax	6.73	0.87
– Deferred Tax	0.40	-
Profit After Tax Before Minority Interest	22.30	0.60
Minority Interest	3.38	-
Net Profit / Loss, as Restated	18.92	0.60

Income

We are currently developing three thermal projects. We expect to derive our income primarily from the sale of power. Given that our revenue structure under each PPA that we enter into is determined over the life of the contract, and though it is subject to the built-in adjustments mechanisms contained in each such contract, being committed under such contracts may prevent us from renegotiating such agreements or from entering into agreements with other parties, should market prices for power increase in the future. During the nine months ended December 31, 2010, we engaged in trading of coal within India and derived income from selling steam and coking coal. We commissioned our first unit of 61.5 MW of the MIHAN Power Project in January 2011 and will start deriving income from sale of power from the MIHAN Power Project in the quarter ended March 31, 2011. The second and third units of 61.5 MW were commissioned in April and May of 2011.

Operating Expenditures

Once a power project commences commercial operation, we expect that our expenditures for that project will consist primarily of the fixed costs associated with operating the power project (principally interest, depreciation, and operation and maintenance costs), and variable costs associated with the supply of fuel.

Nine Months Ended December 31, 2010

Total income. Our income from operations and total income were ₹ 252.60 million and ₹ 357.53 million, respectively, for the nine months ended December 31, 2010. Our income from operations was attributable to trading income derived from sale of coal to third parties. Our other income primarily comprised of interest received of ₹ 77.75 million on fixed deposits with banks and financial institutions and interest received on inter-corporate debt issued to our Joint Venture, CPL, and ₹ 20.21 million from the sale of investments consisting primarily of the sale of all outstanding equity shares of Jas Toll Road Company Limited held by JIPL. The balance of total income was derived primarily from receipt of commission from trading of steel scrap.

Total expenditure. Our total expenditure was ₹ 328.10 million for the nine months ended December 31, 2010, primarily due to ₹ 247.06 million spent for purchase of coal for trading business and interest and financial charges of ₹ 53.67 million.

Provision for tax. Our provision for tax, net, was ₹ 7.13 million for the nine months ended December 31, 2010.

Net profit / (loss), as restated. Our net profit, as restated, was ₹ 18.92 million for the nine months ended December 31, 2010.

Fiscal Year 2010

Total income. Our income from operations and total income were nil and ₹ 2.85 million, respectively, for the Fiscal Year 2010. ₹ 1.49 million of our total income was from a one time profit from the sale of commodity futures. ₹ 1.33 million of total income was from commissions received in connection with commodity trading.

Total expenditure. Our total expenditure was ₹ 1.38 million for the Fiscal Year 2010, primarily due to administrative and general expenses and interest and financial charges. ₹ 1.16 million of such costs were for legal and professional services provided to us, while ₹ 0.19 million was towards interest and financial charges.

Provision for tax. Our provision for tax was ₹ 0.87 million for the Fiscal Year 2010. Our effective tax rate for the Fiscal Year 2010 was 59.2%.

Net profit / (loss), as restated. Our net profit, as restated, was ₹ 0.60 million for the Fiscal Year 2010.

Our Company's Results of Operations (Unconsolidated)

The following table sets forth selected financial data from our Company's restated unconsolidated profit and loss statement for the periods indicated.

(₹ in million)				
Particulars	For the Fiscal Year 2010	For the Fiscal Year 2009	For the Fiscal Year 2008	For the Fiscal Year 2007
Income				
Income from Operations	-	-	-	-
Other Income	2.83	1.59	0.06	0.59
Total Income	2.83	1.59	0.06	0.59
Expenditure				
Administrative and General expenses	1.18	0.01	0.01	0.03
Interest and Financial Charges	0.18	0.66	-	-
Total Expenditure	1.36	0.67	0.01	0.03

Particulars	For the Fiscal Year 2010	For the Fiscal Year 2009	For the Fiscal Year 2008	For the Fiscal Year 2007
Provision for Tax	0.87	0.28	0.02	0.25
Net Profit / (Loss), as Restated	0.60	0.64	0.03	0.31

Fiscal Year 2010 Compared to Fiscal Year 2009

Total income. Our Company's total income increased by 77.9% to ₹ 2.83 million for the Fiscal Year 2010 from ₹ 1.59 million for the Fiscal Year 2009, primarily due to profit from a one time sale of commodity futures partially offset by a decrease in receipt of commissions.

Total expenditure. Our Company's total expenditure increased by 103.0% to ₹ 1.36 million for the Fiscal Year 2010 from ₹ 0.67 million for the Fiscal Year 2009, primarily due to an increase in legal expenses incurred in connection with the change in authorised share capital.

Provision for tax. Our Company's provision for tax increased to ₹ 0.87 million for the Fiscal Year 2010 from ₹ 0.28 million for the Fiscal Year 2009.

Net profit / (loss), as restated. Our Company's net profit, as restated, decreased by 6.3% to ₹ 0.60 million for the Fiscal Year 2010 from ₹ 0.64 million for the Fiscal Year 2009.

Fiscal Year 2009 Compared to Fiscal Year 2008

Total income. Our Company's total income increased to ₹ 1.59 million for the Fiscal Year 2009 from ₹ 0.06 million for the Fiscal Year 2008, primarily due to receipt of commissions in connection with commodity trading.

Total expenditure. Our Company's total expenditure increased to ₹ 0.67 million for the Fiscal Year 2009 from ₹ 0.01 million for the Fiscal Year 2008, primarily due to interest paid on unsecured loans.

Provision for tax. Our Company's provision for tax increased to ₹ 0.28 million for the Fiscal Year 2009 from ₹ 0.02 million for the Fiscal Year 2008.

Net profit / (loss), as restated. Our Company's net profit, as restated, increased to ₹ 0.64 million for the Fiscal Year 2009 from ₹ 0.03 million for the Fiscal Year 2008.

Fiscal Year 2008 Compared to Fiscal Year 2007

Total income. Our Company's total income decreased by 89.8% to ₹ 0.06 million for the Fiscal Year 2008 from ₹ 0.59 million for the Fiscal Year 2007, primarily due to the profit from sale of investments in the Fiscal Year 2007.

Total expenditure. Our Company's total expenditure decreased by 66.7% to ₹ 0.01 million for the Fiscal Year 2008 from ₹ 0.03 million for the Fiscal Year 2007, primarily due to a decrease in legal expenses.

Provision for tax. Our Company's provision for tax decreased to ₹ 0.02 million for the Fiscal Year 2008 from ₹ 0.25 million for the Fiscal Year 2007.

Net profit / (loss), as restated. Our Company's net profit, as restated decreased by 90.3% to ₹ 0.03 million for the Fiscal Year 2008 from ₹ 0.31 million for the Fiscal Year 2007.

Financial Condition, Cash Flows, Liquidity and Capital Resources (Consolidated)

Our business is extremely capital expenditure intensive. Our plans for the development and construction of our power projects require substantial capital expenditures, which we expect to fund through the Net Proceeds, debt and equity financing and, as our projects are completed, increasingly from operating cash flows. We believe that going forward the availability of sources of cost effective funding will be crucial and the non-availability of such funding at favourable terms could affect our business, financial condition and results of operations.

We have had no operating cash flows. For the Fiscal Year 2011, we expect to continue to experience limited cash flows from operating activities as only one of our power projects, the MIHAN Power Project, is expected to be commissioned in the Fiscal Year 2011.

Cash Flows

The table below summarizes our cash flows on a consolidated basis for the periods indicated:

(₹ in million)		
Particulars	For the Nine Months ended December 31, 2010	For the Fiscal Year 2010
Net Cash-Flow Generated From / (Used In) Operating Activities	(131.18)	7.58
Net Cash-Flow Generated From / (Used In) Investing Activities	(17,041.90)	(278.27)
Net Cash-Flow Generated From / (Used In) Financing Activities	17,754.33	254.64
Net Increase / (Decrease) in Cash and Cash Equivalents	581.25	(16.05)

Operating Activities

Net cash used in our operating activities for the nine months ended December 31, 2010 was ₹ 131.18 million. Net cash used in our operating activities consisted of net profit before taxation as adjusted for, among other things:

- trade payables, primarily in relation to purchases of coal for trading purposes, of ₹ 1,064.79 million; and
- trade and other receivables, primarily in relation to amount due from sale of coal, of ₹ 1,090.72 million.

Net cash generated from our operating activities for the Fiscal Year 2010 was ₹ 7.58 million. Net cash generated from our operating activities consisted of net profit before taxation as adjusted for, among other things:

- trade payables, comprising increase in payables, of ₹ 6.56 million; and
- trade and other receivables, comprising decrease in receivables, of ₹ 0.12 million.

Investing Activities

Net cash used in investing activities for the nine months ended December 31, 2010 was ₹ 17,041.90 million, comprising primarily of ₹ 17,157.04 million of increase in capital work in progress and increase in fixed assets of ₹ 326.62 million.

Net cash used in investing activities for the Fiscal Year 2010 was ₹ 278.27 million, comprising ₹ 74.09 million used for purchase of investments and ₹ 204.18 million used as share application money for shares of JIPL and CPL.

Financing Activities

Net cash generated from financing activities for the nine months ended December 31, 2010 was ₹ 17,754.33 million,

primarily comprising secured loans of ₹ 7,875.15 million, proceeds from allotment of share capital and share application money pending allotment of ₹ 6,848.3 million to shareholders and short term loans of ₹ 3,084.55 million.

Net cash generated from financing activities for the Fiscal Year 2010 was ₹ 254.65 million, primarily comprising ₹ 287.29 million generated from proceeds of the issue of shares, ₹ 17.50 million generated from share application money received and ₹ 49.96 million used for repayment of short term loans.

Fixed Assets

As of December 31, 2010, we had ₹ 29,707.90 million of fixed assets, comprising of ₹ 28,745.69 million of capital work in progress, ₹ 973.60 million of gross block and ₹ 962.21 million of net block. Capital work in progress was primarily on account of purchases of plant and machinery, such as boilers, turbines and generators as well as other parts and fixtures, purchase and lease of land and site development, purchases of cement and steel, and development of transmission lines.

Capital Expenditures

Our principal capital expenditure requirements involve the development and construction of our power projects. The table below sets forth the amounts spent by our Subsidiaries and Joint Venture, CPL, on each of the power projects under development and the estimated completion cost of such project.

(₹ in million)

Power Project	Amount Spent	Estimated Completion Cost
MIHAN Power Project (As of March 27, 2011)	13,777.49	13,821.50
Chandwa Power Project (As of May 1, 2011)	21,038.90	60,820.00
Banka Power Project (As of May 1, 2011)	10,601.93	74,000.00
Total	45,418.32	148,641.50

Indebtedness

As of December 31, 2010, we had short term debts of ₹ 3,044.82 million and long term debts of ₹ 18,367.70 million, aggregating to total indebtedness of ₹ 21,412.52 million. For further details, see “Financial Indebtedness” page 381.

Contractual Obligations and Commercial Commitments

The following table summarises our contractual obligations and commercial commitments as of December 31, 2010 and the effect such obligations and commitments are expected to have on our liquidity and cash flows in future periods.

(₹ in million)

Particulars	As of December 31, 2010
Indebtedness	21,412.52
Lease obligations	-
EPC and other obligations ⁽¹⁾	134,782.11
Total	156,194.63

⁽¹⁾ Future cash flow on EPC and other obligations are estimated and generally consistent with the provisions of the contracts. We define a purchase obligation as an arrangement to purchase goods or services that is enforceable at law and legally binding on us.

Contingent Liabilities

The following table provides our contingent liabilities as of the dates indicated:

<i>(₹ in million)</i>		
Particulars	As of December 31, 2010	As of March 31, 2010
Guarantee given by the Company's bankers	698.34	312.76
Corporate Guarantee	3,000.00	-
Obligation against procurement under EPCG scheme	7,662.17	6,315.57
Share of contingent liabilities of our Joint Venture	423.72	264.95
Total	11,784.23	6,893.28

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.

Transactions with Related Parties (Consolidated)

During the nine months ended December 31, 2010, we have entered into certain transactions with our Promoters, including:

- The share application money received from Corporate Ispat in the amount of ₹ 802.28 million.
- The capital advance of ₹ 11,767.28 million advanced to APRL.
- The loans and advances given to CPL, in the amount of ₹ 796.38 million.
- Deposits given during the period to Growth Infinite in the amount of ₹ 108.71 million.
- The sundry debts of AIL, in the amount of ₹ 3.27 million.
- The sundry liabilities with regard to APRL and Abhijeet Natural Resources Private Limited, in the amount of ₹ 574.67 million.
- The payments received towards reimbursement of expenses from APRL, Corporate Ispat, CPL and AIL, in the amount of ₹ 98.87 million.
- The payments made towards reimbursement of expenses of APRL, Corporate Ispat, Jas Toll Road Company Limited, AIL, Kaizen Power Limited and Global Powmin Limited in the amount of ₹ 0.60 million.
- The purchase of assets in the amount of ₹ 6,798.74 million from APRL and Abhijeet Natural Resources Private Limited.
- The purchase of shares of AMNEPL from AIL, Manoj Jayaswal and Abhishek Jayaswal, in the amount of ₹ 0.69 million.
- The sale of shares in the amount of ₹ 167.53 million to AIL.

- The receipt of income in the amount of ₹ 57.54 million from AIL and CPL.
- The payment to directors in the amount of ₹ 12.11 million.

See also notes to our restated consolidated financial statements as of and for the nine months ended December 31, 2010.

Quantitative and Qualitative Disclosure about Market Risk (Consolidated)

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk, foreign exchange risk, inflation and commodity risk. We are exposed to different degrees of these risks in the normal course of our business.

Interest Rate Risk

We currently have floating rate indebtedness and also maintain deposits of cash and cash equivalents with banks and other financial institutions and thus are exposed to market risk as a result of changes in interest rates. Moreover, the interest rates on certain of our indebtedness are subject to periodic resets. See “Financial Indebtedness” on page 381. As of December 31, 2010, ₹ 21,412.52 million of our indebtedness consisted of floating rate indebtedness. Upward fluctuations in interest rates increase the cost of both existing and new debts. It is likely that in the current Fiscal Year and in future periods our borrowings will rise substantially given our growth plans. We do not currently use any derivative instruments to modify the nature of our exposure to floating rate indebtedness or our deposits so as to manage interest rate risk.

Foreign Exchange Risk

While substantially all of our revenues will be denominated in Rupees, we have incurred and expect to incur expenditure and indebtedness denominated in currencies other than Rupees for the development of our power projects. As of December 31, 2010, we had ₹ 818.24 million of foreign currency borrowings outstanding. These exposures are to United States Dollars. Any depreciation of the Rupee against the currency in which we have an exposure will increase the Rupee costs to us of servicing and repaying our expenditure and indebtedness. We do not currently use any derivative instruments to modify the nature of our exposure to foreign currency fluctuations so as to manage foreign exchange risk.

Credit Risk

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write off such amounts. Our credit risk is affected by our intention to sell a portion of the power generated by us to state run utility companies.

Inflation

Inflation and deflation in India has not had a material impact on our results of operations. According to the Reserve Bank of India, the inflation rate in India measured in terms of the Whole Sale Price Index (all commodities) was 8.92% for the month ended March 31, 2011. With respect to the projects that we are developing or propose to develop, we are exposed to inflation. If the price of transportation, wages, raw materials or any of our other operation and maintenance expenses decrease, our financial condition and earnings could improve due to reduced development costs for projects that we have not yet completed. If any of these costs increase, our financial condition and earnings could be adversely affected due to increased development costs for the projects that we have not yet completed.

Price of Power and Fuel

Our business exposes us to volatility in the price of power in India. Although, merchant sales are most exposed to the market price of power.

As our power projects enter commercial operation, we will be dependent upon our suppliers for coal. See “— Significant Factors Affecting our Results of Operations” on page 367. For certain of our power projects, we have entered into fixed price but limited term coal supply agreements. See also “Our Business” on page 125.

Other Qualitative Factors

Significant Developments Occurring After December 31, 2010

Except as stated elsewhere in this Draft Red Herring Prospectus, in the opinion of the Directors no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Except as described in the section titled “Industry Overview” and “Regulations and Policies”, to our knowledge, there are no significant economic changes that materially affected or are likely to affect our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge which may be described as “unusual” or infrequent”.

Future Relationship Between Costs and Income

Other than as described in and in the section titled “Risk Factors” and elsewhere in the Draft Red Herring Prospectus, to our knowledge there are no known factors which will have a material adverse impact on our operation and finances.

The Extent to Which Material Increases in Net Sales or Revenue are Due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in income from operations during the last two years are as explained in this section titled “Management's Discussion and Analysis of Financial Condition and Results of Operations”.

Known Trends or Uncertainties

Other than as described in the sections titled “Risk Factors”, and this section and elsewhere in this Draft Red Herring Prospectus, to the best of our knowledge there are no known trends or uncertainties that have had, or are expected to have, a material adverse impact on our revenues or income from continuing operations.

New Product or Business Segment

Other than as described in the section “Our Business” on page 125, to our knowledge, there are no new products or business segments.

Seasonality of Business

Our revenues and results may be affected by seasonal factors. For example, inclement weather, including during monsoon season, may delay or disrupt development of our power projects undergoing construction at such times. Further, some of our prospective power consumers may have businesses which may be seasonal in nature and a downturn in demand for power by such consumers could reduce our revenue during such periods.

Dependence on a Single or Few Suppliers/Customers

As described in the sections “Risk Factors” and “Our Business” on page 13 and 125, respectively, we will depend on the operations of our power projects for our future revenues.

Competitive Conditions

For further details, please refer to the discussions of our competition in the sections “Risk Factors” and “Our Business” on page 13 and 125, respectively.

FINANCIAL INDEBTEDNESS

Details regarding financial indebtedness as at April 30, 2011 and salient terms relating thereto for the following companies: (i) APL; (ii) AMNEPL; (iii) CPL; and (iv) JIPL are as disclosed hereunder:

I) ABHIJEET POWER LIMITED

This loan had been availed by AINL, which has since been transferred to our Company by virtue of the Composite Scheme of Arrangement.

Sr. No	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of April 30, 2011 (in ₹ Million)	Interest rate (in % p.a.)	Tenure (years)	Repayment	Security, undertakings by promoters and financial covenants
1.)	SREI Infrastructure Limited ("SREI") ¹	Rupee loan agreement, dated June 30, 2010	1,500.00 ¹	1,500.00	SREI benchmark rate minus 1.5%	3	Bullet repayment at the end of three years from date of disbursement. SREI has a call option for early repayment. For details see below.	See Note 1

¹ The loan has been utilized to provide a loan to CPL for setting up the Chandwa Power Project.

Call option:

- (i) SREI has the right to call upon our Company to prepay to the extent of ₹ 500.00 million at the end of the first year from the date of disbursement.
- (ii) SREI further has the right to call upon our Company to prepay to the extent of ₹ 1,000.00 million at the end of the second year from the date of disbursement.

Cross default as an event of default:

The rupee loan agreement specifies certain events to be 'events of default'. This includes the following events which also pertain to any other indebtedness of our Company:

- a) If our Company, any guarantor of the loan or a third party security provider defaults or payment becomes prematurely due for any other financial indebtedness (which includes any financial indebtedness other than indebtedness under the aforesaid rupee loan agreement).
- b) An event of default under any contract or document relating to any other financial indebtedness.
- c) Any other financial indebtedness or any sum payable in respect thereof, not paid when due.
- d) Cancellation or suspension of any commitment for underwriting, as a result of event of default in any agreements relating to any other financial indebtedness.
- e) Refusal to disburse loan by any other financial institution or banks with whom our Company, any guarantor of the loan or a third party security provider has entered into an agreement for financial indebtedness.

- f) If any encumbrance over the assets of our Company, any guarantor of the loan or a third party security provider under this agreement and the security documents, to secure financial indebtedness, becomes enforceable.

Note 1:

Security:

The rupee loan facility together with all interests, processing fees, costs, charges, and other monies is secured by the following:

- (i) Irrevocable guarantee issued by Manoj Jayaswal.
- (ii) Demand promissory note (and letter of continuity) covering the principal repayment and interest repayment.
- (iii) Post dated cheques covering the principal repayment.
- (iv) Security deposit of rupees (by way of fixed deposit) of ₹ 60.00 million.
- (v) First-ranking pledge of 23%, 16,942,332 unencumbered fully paid equity shares of AMNEPL.
- (vi) Mortgage of immovable property of our Company to the satisfaction of SREI.

Promoter's undertakings:

AML, as the Promoter, has undertaken the following:

- (i) To service the loan in a timely manner in the event of shortfall during the currency of the loan.
- (ii) In any event of default, the promoters shall not create security interest, in any manner, or encumber in any way their existing or future holding in our Company, in favour of any person or company or entity, without prior written consent.
- (iii) It shall cover the shortfall in repayment of loan in the event of or on the occurrence of any event attributable to force majeure or material adverse effect, during the currency of the loan.

Corporate actions requiring prior approval of SREI:

Certain corporate actions which require prior written consent of the lender/lenders include:

- (i) Sale, transfer or assignment of any or all of our Company's rights in or title to or interest under the rupee loan agreement.
- (ii) Formulation of any scheme of amalgamation or reconstruction.
- (iii) Implementation of any scheme of expansion or acquire fixed assets, except in the normal course of business.
- (iv) Creation of any security interest, other than the permitted security interest.
- (v) Contracting, creating or incurring any debt, or prepaying any debt/loan other than as otherwise permitted by SREI, (except in for loans or debts in the ordinary course of business). In the event of prepayment SREI shall be entitled to demand proportionate prepayment of the rupee loan, subject to such conditions (including premium) as it may stipulate.

- (vi) Creation of any other security interest except the creation of permitted security interest, as agreed by the parties in the rupee loan agreement.
- (vii) Distribution/withdrawal of any amounts/profit, in the event any default under the rupee loan agreement has occurred or is subsisting.
- (viii) Paying any commission to any person for providing guarantees.
- (ix) Making any investments (including any loans, deposits or investments) give guarantees or any credit to any person, other than in the normal course of its business, except in group companies of our Company (in the event there is no event of default).
- (x) Offering corporate guarantee or mortgage/pledge/hypothecation of its assets for third party borrowings.
- (xi) Creation of further charge, lien or encumbrance on assets/property mortgaged/charged in favour of SREI.
- (xii) Any material alteration of the scope of the project or undertaking a new project or entering any other business than currently engaged in.
- (xiii) Creating any subsidiary/ permit any company to become its subsidiary or to enter into/permit any arrangement for merger/demerger reorganization, or enter into any scheme of arrangement or compromise with the creditors.
- (xiv) Changing our capital structure, whether by reduction, buy back, cancellation or by issue of fresh shares.
- (xv) Change in its financial year, or its accounting policies/ methods.
- (xvi) Not to appoint, re-appoint or remove any persons having substantial powers of management; and
- (xvii) Any change of control of our Company (directly or indirectly).

II) AMNEPL: Below is a summary of outstanding indebtedness of AMNEPL in relation to setting up the MIHAN Power Project

Sr. No	Lenders	Particulars	Amount Sanctioned (in ₹ Million) ¹	Amount Outstanding as of March 27, 2011 (in ₹ Million)	Interest rate (in % p.a.)	Tenure (years)	Repayment	Security, undertakings by promoters, financial covenants and other salient conditions
1)	Axis Bank Limited	Subordinate rupee loan agreement dated July 2, 2009, the first addendum dated October 28, 2009 and second addendum dated March	446.00	446.00	Axis BPLR	13.75	144 consecutive monthly installments commencing from April 2011.	See Note 2

Sr. No	Lenders	Particulars	Amount Sanctioned (in ₹ Million) ¹	Amount Outstanding as of March 27, 2011 (in ₹ Million)	Interest rate (in % p.a.)	Tenure (years)	Repayment	Security, undertakings by promoters, financial covenants and other salient conditions
		12, 2010 [#]						
2)	Axis Bank Limited (“Axis”), Bank of Maharashtra (“BOM”), Indian Bank (“IB”), State Bank of Hyderabad (“SBH”), State Bank of Travancore (“SBT”), UCO Bank (“UCO”), Vijaya Bank (“Vijaya”)	Common senior rupee loan agreement, dated July 2, 2009 and the first addendum dated October 28, 2009 and second addendum dated March 12, 2010 [#]	Aggregate amount: 5,280.40	5,271.16		13.75	144 consecutive monthly installments commencing from April 2011.	See Note 2. However, the loan is secured by a first charge over property and assets of AMNEPL as set out in Note 2.
			Axis :1,530.40	1,530.40	Axis BPLR minus 200 bps			
			BOM: 500.00	500.00	Axis BPLR minus 200 bps			
			IB: 500.00	496.70	Axis BPLR minus 200 bps			
			SBH: 500.00	496.50	Axis BPLR minus 200 bps			
			SBT: 500.00	500.00	SBT PLR plus 50 bps			
			UCO: 1,000.00	997.56	Axis BPLR minus 200 bps			
			Vijaya: 750.00	750.00	Axis BPLR minus 200 bps			
3)	India Infrastructure Finance Company (UK) Limited (“ECB lender”)	Foreign currency term loan project agreement dated October 30, 2009 and addendum to foreign currency term loan agreement dated March 25, 2010 [#]	USD 20.86 Million	USD 19.69 Million	LIBOR plus 485 bps	13.75	48 quarterly installments commencing from June 30, 2011	See Note 2. However, the loan is secured by a first charge over property and assets of AMNEPL as set out in Note 2.
4)	Axis Bank Limited (“Axis”), Bank of Maharashtra (“BOM”), SREI	Additional common senior rupee loan Agreement dated March	Aggregate amount: 4,104.60	4,061.28		13.75	144 consecutive equal monthly installments commencing	See Note 2. However, the loan is secured by a first charge over property and
			Axis: 400.00	400.00	Axis BPLR minus			

Sr. No	Lenders	Particulars	Amount Sanctioned (in ₹ Million) ¹	Amount Outstanding as of March 27, 2011 (in ₹ Million)	Interest rate (in % p.a.)	Tenure (years)	Repayment	Security, undertakings by promoters, financial covenants and other salient conditions
	Infrastructure Finance Limited (“SREI”), Bank of India (“BOI”), State Bank of Hyderabad (“SBH”), State Bank of Travancore (“SBT”), State Bank of Mysore (“SBM”), UCO Bank, Vijaya Bank	12, 2010 and Deed of assignment, among SREI, SBM, Axis (acting as security trustee and lender’s Agent) and AMNEPL, dated November 11, 2010			200 bps		from April 30, 2011	assets of AMNEPL as set out in Note 2.
			BOI: 600.00	591.80	Axis BPLR minus 200 bps			
			BOM: 300.00	294.70	Axis BPLR minus 200 bps			
			SBM ² : 475.00 plus 429.60 (904.60)	904.60	SBM PLR plus 50 bps			
			SBH: 300.00	295.58	Axis BPLR minus 200 bps			
			SBM: 500.00	496.70	SBM PLR plus 50 bps			
			SBT: 300.00	294.70	SBT PLR plus 50 bps			
			UCO: 550.00	539.80	Axis BPLR minus 200 bps			
			VB: 250.00	243.40	Axis BPLR minus 200 bps			
5.)	Axis Bank Limited	Additional rupee loan agreement, dated March 12, 2010	240.00	240.00	Axis BPLR	13.75	144 consecutive equal monthly installments commencing from April 30, 2011	See Note 2. However, the loan is secured by a first charge over property and assets of AMNEPL as set out in Note 2.

¹ The aforesaid amounts sanctioned, also include sub-limit amounts sanctioned towards Letter of Credit (“LC”) facilities as per details mentioned below:

Sr. No.	Lender	Amount (in ₹ Million)
1)	Axis	2,616.40
2)	BOI	600.00
3)	BOM	300.00
4)	SBH	480.00
5)	SBM	250.00

6)	UCO	1,550.00
	Total	5,796.40

² The original lender for this loan was SREI, however, by a deed of assignment dated November 11, 2010 between SREI, SBM, Axis (acting as security trustee and lender's agent) and AMNEPL, the said loan has been assigned to SBM and the underlying security was also transferred in the name of SBM.

#- The aforesaid loans were sanctioned when the project capacity was 175 MW (3 x 50 MW and 25.6 MW DG set). The capacity was subsequently revised to 271.6 MW (4x61.5 MW with 25.6 MW DG set). Lenders approved this arrangement through additional common senior rupee loan agreement, second addendum to common senior rupee loan agreement, second addendum to subordinate rupee loan agreement, the additional rupee loan agreement, each dated March 12, 2010 and addendum to foreign currency term loan dated March 25, 2010.

AMNEPL is required to pay interest linked to the Axis BPLR (except SBT and SBM). The revision of applicable interest rate due to change in the Axis BLPR is to be effected without changing the spread. Lenders shall have a right to revise the spread at their discretion on the spread reset date that is November 30, 2010 and the day falling every two years thereafter.

Cross default as an event of default:

AMNEPL's loan agreements specify certain events to be 'events of default'. This includes the following events which also pertain to any other indebtedness of AMNEPL:

- i. If any financial indebtedness of AMNEPL is not paid when due or within any originally applicable grace period.
- ii. If any financial indebtedness of AMNEPL is declared to be or otherwise becomes due and payable prior to its specified maturity.
- iii. If any commitment for any financial indebtedness of AMNEPL is cancelled or suspended by a creditor of AMNEPL.
- iv. If any creditor of AMNEPL declares any financial indebtedness of AMNEPL due and payable prior to its specified maturity.
- v. If any financial indebtedness of AMNEPL which is repayable on demand is not repaid on demand so made.
- vi. If any principal, interest, premium or other amount due to any other banks/financial institutions including existing lenders has been defaulted by AMNEPL.

However, a default shall not amount to a cross default unless:

- i. Under the foreign currency term loan: unless the aggregate amount of financial indebtedness or commitment for financial indebtedness exceeds US \$ 100,000 or equivalent in any other currency.
- ii. Under the additional common senior rupee loan agreement and additional subordinate rupee loan agreement: Unless the default relates to an amount exceeding ₹ 10 million.

Note 2:

This note sets out the assets given as security, the financial covenants and the undertakings and certain other salient conditions as set out in AMNEPL's loan documents. Some of these may be common across all loans, and some of them may be specific to a particular loan or loans.

The loan is secured by:

- (i) A second mortgage and charge on all immovable properties pertaining to the project being developed, including the land used for the project, both present and future.
- (ii) A second charge by way of hypothecation of all tangible moveable assets, pertaining to the project including movable plant and machinery, machinery spares, tools and accessories furniture and fixtures, vehicles, consumables and all other moveable assets, both present and future.
- (iii) A second charge on AMNEPL's receivables, including operating cash flows, of whatsoever nature and wherever arising, both present and future, including without limitation, hypothecation agreement or any letter of credit as in the power purchase agreement, receivables, inventories. A second charge over all accounts including and without limitation, the trust and retention account, the subordinate debt service reserve account, and other retention accounts and all other bank accounts that may be opened as per terms of the agreement and of documents related to the project and in all funds which may be deposited from time to time deposited therein, in all authorized investments or other securities representing amounts credited thereto.
- (iv) A second charge over all the intangibles of AMNEPL, including but not limited to goodwill, undertakings and uncalled capital, present and future.
- (v) A second charge by way of assignment or otherwise creation of security interest in (a) all the rights, title, interest, benefits, claims and demand of AMNEPL in the project documents duly acknowledged and consented to by the relevant counter parties to such project documents; (b) all the rights, title, interest, benefits, claims and demand of AMNEPL in, to and under all the government approvals; (c) all the rights, title, interest, benefits, claims and demand of AMNEPL in any letter of credit or guarantee including contractor guarantee and liquidated damages or/and any performance bond provided by any party to the documents relating to the project; (d) all insurance contracts and insurance proceeds.
- (vi) Pledge of equity shares held by the promoters aggregating to 51% of the paid up and voting capital of AMNEPL
- (vii) Irrevocable and unconditional corporate guarantee by Abhijeet Infrastructure Limited guaranteeing to cover any shortfall in the amount payable in respect of loans in the event of termination of the concession agreement and a personal guarantee by Manoj Jayaswal.

The aforesaid mortgages, charges, assignments and guarantees shall in all respects rank pari-passu inter-se amongst the lenders, without any preference of one over the other, for the purpose of the common senior loan agreement and the foreign currency term loan.

Promoter's undertakings:

AMNEPL's loan documents classify Abhijeet Infrastructure Limited and AINL as promoters of AMNEPL. In such capacity as promoters, Abhijeet Infrastructure Limited and AINL have provided certain undertakings, which are set out below:

- (i) They shall arrange the equity contribution from time to time, so that the debt to equity ratio of AMNEPL is maintained as agreed by the parties.
- (ii) They shall maintain at least 51% of the paid up and voting equity share capital of AMNEPL, at all times, up to the final settlement date and shall continue to retain the management of and control over AMNEPL.
- (iii) They shall pledge such number of shares as would constitute 51% of the paid up and voting equity share capital of AMNEPL.

- (iv) They shall provide additional funds by way of shareholder's subordinate loans to meet any shortfall, if any, in meeting the means of finance for implementation of the project or in the event of the event of a cost overrun over and above the amount that has been provided as the contingency to the satisfaction of the subordinate rupee lenders so as to achieve date of commercial production.
- (v) They shall ensure that, shareholder's subordinate loans , as and when provided, shall be unsecured and subordinate to the subordinate rupee facility and shall not be redeemed by AMNEPL till final settlement date and no interest shall be payable on shareholder's subordinate loans except with prior permission of the lender's agent.
- (vi) They shall subscribe or arrange subscription to 100% of the total paid up capital of AMNEPL and ensure that 40% of the said amounts are fully paid up.

Note: AINL's obligations have been transferred to our Company pursuant to the Composite Scheme of Arrangement.

Financial Covenants:

AMNEPL shall maintain:

- (i) Senior debt to subordinate debt to equity ratio in the ratio of 75:5:20
- (ii) Senior debt service coverage ratio of not less than 1.20
- (iii) Subordinate debt service coverage ratio of not less than 1.20
- (iv) Fixed asset coverage ratio of not less than 1.25

Corporate actions for AMNEPL

Certain corporate actions which require prior written consent of the lender/lenders include:

- (i) Consolidation, merger, sale or disposal of any assets or making investments in and acquisitions of, assets of any other person.
- (ii) Capital expenditure or making any investments or taking assets on lease.
- (iii) Making any restricted payments (as defined in the respective agreements), unless the conditions set out in the relevant agreement are satisfied.
- (iv) Creating any security interest in any of the secured property or in any other property and assets or rights, including escrowing or charging the receivables, in favour of any third parties.
- (v) Undertaking any guarantee obligations on behalf of another person, except the ordinary course of business.
- (vi) Engaging in any other business other than the project or changing the name, location or registered office of AMNEPL.
- (vii) Making any amendments to the documents relating to the project.
- (viii) Incurring, assuming, creating, contracting or any other way becoming liable for any debt.

- (ix) Repayment of money brought in by any promoter/shareholder/depositor or directors.
- (x) Any material alteration of the scope of the project.
- (xi) Any material amendment or modification of the memorandum of association.
- (xii) Undertaking of any new project, or diversification, modernization or expansion of the project.
- (xiii) Any prepayment of financial assistance or debt.
- (xiv) Revaluation of assets.
- (xv) Any removal of person exercising substantial powers of management of affairs, at the time of execution of the document.
- (xvi) Any transfer of shares in the equity contributions made by the promoters.
- (xvii) Any change in financial year.
- (xviii) Opening of any other bank accounts.
- (xix) Entering into any agreement relating to utilization of the proceeds, through any mechanism including securitization.
- (xx) Change in capital structure, other than contemplated under the relevant agreement by the parties, which would result in long term debt ratio for the project increasing beyond 75:5:25 of the total project cost which shall be subject to the approvals of the lenders.
- (xxi) Making any investment by way of deposits whether inter-corporate or otherwise, loans, bonds, debentures, share capital or any other speculative purpose or in any other form other than authorized investments.
- (xxii) Any sale, transfer or otherwise disposing of any of its receivables on recourse terms other than to the lenders or the ECB lenders to the project and any working capital lenders.
- (xxiii) Entering into or permitting to subsist any title retention agreement.
- (xxiv) Entering into or permitting to subsist any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to combinations of account.
- (xxv) Enter into or permit to subsist any other preferential agreement having similar effect including escrow agreement.

Certain other salient conditions:

1. AMNEPL was required to complete the construction of the first two units by September 30 2010, third unit by November 30, 2010 and the fourth unit the diesel generator sets, the transmission line and the MIHAN Power Project as a whole by March 31, 2011. However, this condition has not been complied with, and such non-compliance amounts to an event of default – for details, see risk factor titled “*AMNEPL is not in compliance with certain covenants in its loan agreements due to delays, among other things, in commissioning of the MIHAN Power Project, which has resulted in AMNEPL paying penal interest and which could, among other things, result in acceleration of the payment obligations on some or all of AMNEPL’s outstanding indebtedness.*” on page 13.
2. Non-creation of security in accordance with the provisions of, and within the time period set forth in the respective agreements makes AMNEPL liable to pay penal interest. AMNEPL has not created security in

the manner and within the time period set forth in the respective agreements. For details, see risk factor referred to in 1. above.

AMNEPL has been granted certain working capital and bank guarantee facilities, by State Bank of Hyderabad as per details below:

Sr. No	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of April 30, 2011 (in ₹ Million)	Tenure (years)	Salient conditions /covenants
1.	State Bank of Hyderabad ("SBH")	Agreement of Loan for Overall Limited, dated June 24, 2011	290.00	--	3	See Note 3

Note 3:

- (i) AMNEPL shall provide irrevocable and unconditional guarantee from its directors and or/ other for payment and discharge by AMNEPL to SBH for a sum of ₹ 290.00 million and interest all costs and charges and expenses and other monies due and payable by AMNEPL.
- (ii) SBH shall have absolute discretion to decide whether or not it will accept security from the AMNEPL.
- (iii) AMNEPL undertakes that it shall not sell all immovable properties to be mortgaged.
- (iv) Shareholding of Directors, principal shareholders and promoters of AMNEPL shall not vary except without previous written consent of SBH.
- (v) SBH has the right to appoint a nominee director who shall not be liable to retire by rotation or need to possess any share qualification prescribed by Articles of Association of AMNEPL.

Corporate actions for AMNEPL

Certain corporate actions which require prior written consent of SBH include:

- (i) Change or alteration in the capital structure, in any way.
- (ii) Any scheme of amalgamation or reconstitution.
- (iii) Implement any new scheme of expansion or take up an allied line of business or manufacture.
- (iv) Declare dividend or profits.
- (v) Enlarge scope of trading or manufacturing activities.
- (vi) Withdraw or allow to be withdrawn any moneys bought in by the promoters and directors
- (vii) Withdraw or allow the withdrawal of money bought in by the promoters and directors or relatives and friends of the promoters or directors of AMNEPL.
- (viii) Invest any funds by way of deposit, loans or in share capital of any other concern.
- (ix) Borrow or obtain credit facilities of any description from any other bank or credit agency or money lenders to enter into any hire purchase agreement during the subsistence of the liability of AMNEPL to SBH.

A penal interest of 2% shall be charged in the event AMNEPL does any of the above mentioned acts without the prior consent of SBH. By a letter, dated November 3, 2010, SBH has granted an extension of time to AMNEPL in creating security over land and also granted waiver of penal interest till such extended time.

In addition to the above, AMNEPL has also been provided with bank guarantee facilities, working capital limits and loan equivalent risk facilities, as per details herein below:

a. Bank Guarantee Limit:

Sr. No.	Guarantor	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of April 30, 2011 (in ₹ Million)	Tenure (years)	Salient conditions /covenants
1.	Axis Bank Limited	Sanction letter dated December 21, 2009 ¹	700.00	698.34	2.33	In the event of invocation of bank guarantee, the same would carry an interest rate of BPLR + 2% for the period of default.
2.	State Bank of Mysore	Sanction letter dated November 30, 2010	300.00	-	10	1. As available to the term loan facility 2. AMNEPL to execute an omnibus counter indemnity guarantee in favour of the bank to the extent of bank guarantee sanctioned to AMNEPL.
3.	Vijaya Bank ¹	Sanction letter dated November 23, 2010	250.00	-	Minimum of three years with an undertaking to keep it valid for the entire period of export/import obligations which is 10 years or 14 years, subject to annual review.	1. Primary security: Counter indemnity of AMNEPL. 2. Collateral security: Continuing charge on the assets available as security for certain term loans.
4.	Bank of India ²	Sanction letter dated November 30, 2010	150.00	-	-	Primary security: 1. First charge over fixed/current, present/ future assets of AMNEPL. 2. Assignment of all rights, titles and interests of

Sr. No.	Guarantor	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of April 30, 2011 (in ₹ Million)	Tenure (years)	Salient conditions /covenants
						<p>AMNEPL and all assets of the MIHAN Power Project and all project documents, contracts, insurance, permits / approvals, etc.</p> <p>3. First charge on the trust and retention account and all the project bank accounts. (The aforesaid first mortgage, assignment and charge shall rank pari passu amongst the participating senior term lenders)</p> <p>Collateral security: Pledge of 51% equity shares held by the promoters up to the period of 12 months from the scheduled commencement date and 26% thereafter.</p>
5.	State Bank of Travancore	Sanction letter dated December 1, 2010	200.00	-	1	<p>1. First Pari passu charge over entire assets (fixed and current assets) of AMNEPL. The first mortgage, assignment and charge shall rank pari passu amongst the participating senior term lenders, working capital lenders and banks sanctioning bank guarantee limits.</p> <p>2. Irrevocable and unconditional corporate guarantee of Abhijeet Infrastructure Limited guaranteeing to cover any shortfall</p>

Sr. No.	Guarantor	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of April 30, 2011 (in ₹ Million)	Tenure (years)	Salient conditions /covenants
						<p>in the amount payable in respect of the loans in the event of termination of the concession agreement.</p> <p>3. Omnibus counter indemnity of AMNEPL.</p> <p>4. Collateral security: Pledge of 51% of the promoters share in AMNEPL.</p>
6.	UCO Bank	Sanction letter dated January 14, 2011	390.00	-	3	<p>1. First Mortgage over leasehold property and charge over all the projects immovable properties;</p> <p>2. First charge over all of the movable assets of the project, present and future.</p> <p>3. First charge on book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, intangibles, goodwill, uncalled capital, present and future.</p> <p>4. First charge by way of assignment over all interests, benefits claims of AMNEPL in project documents.</p> <p>5. Pledge of shares held by sponsors and shareholders representing 51% of issued and paid up share capital of</p>

Sr. No.	Guarantor	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of April 30, 2011 (in ₹ Million)	Tenure (years)	Salient conditions /covenants
						AMNEPL. 6. Corporate guarantee of AINL for shortfall in amount payable in respect of the facility on account of termination of concession agreement.
7.	Indian Bank	Sanction letter dated, March 4, 2011	130.00	-	1	1. Omnibus counter guarantee of AMNEPL pari passu with the senior lenders. 2. Indian Bank's share of bank guarantee under EPCG license is restricted to ₹ 84.00 million. 3. AMNEPL shall pay a penal interest of 1% with effect from October 1, 2010 for delay in security creation.
8.	Bank of Maharashtra	Sanction letter dated, June 22, 2011	200.00	-	10	a. Security includes pari-passu charge on all mortgage, fixed assets, current assets and other security of MIHAN power plant both present and future. b. Omnibus counter guarantee from AMNEPL. c. There shall be a penal interest payable at the rate of 2% per annum for period of default, for non-compliance with any of the terms of the sanction.

¹ The purpose of the facility is for the commitment guarantee for allotment of coal linkage, bid/performance guarantee for medium power sale and to obtain EPCG license for import of capital goods.

- ² The purpose of the facility is to provide guarantee to Western Coalfield against allotment of coal linkage for the MIHAN Power Project, bank guarantee for medium term power sale, towards EPCG obligations for import of capital goods.

b. Working Capital - Cash Credit Limits

Sr. No.	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of March 27, 2011(in ₹ Million)	Interest rate	Tenure (years)	Salient conditions /covenants
1.	Axis Bank Limited ¹	Sanction letter dated November 12, 2010	400.00	303.39	Base rate plus 3.75% per annum	On demand	<p>1. Same as stipulated in the senior debt facility for the MIHAN Power Project.</p> <p>2. The first mortgage, assignment and charge shall rank pari-passu amongst the participating senior term lenders, working capital lenders and banks sanctioning bank guarantee limits.</p> <p>3. The maximum limit of working capital shall be approved by senior rupee term lenders.</p>
2.	State Bank of Mysore	Sanction letter dated November 30, 2010	120.00	-	Base rate plus 3.75% per annum	On demand	<p>1.Primary security: First pari-passu charge on current assets of MIHAN Power Project with term, loan lenders and bank guarantee lenders</p> <p>2. Collateral security: Second pari-passu charge over the project assets (to be shared along with subordinate debt lenders). AMMEPL shall arrange for consortium</p>

Sr. No.	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of March 27, 2011(in ₹ Million)	Interest rate	Tenure (years)	Salient conditions /covenants
							documentation and complete the charge creation (primary and collateral security) within a period of three months from the date of release of the limits, failing which penal interest at 2% will be levied from date of release of facility.
3.	State Bank of Travancore	Sanction letter dated December 1, 2010	90.00	-	Base rate plus 3.75% per annum	-	<p>1. Primary security: First pari passu charge on current assets and second charge on the fixed assets of AMNEPL. The first mortgage, assignment and charge shall rank pari passu amongst the participating senior term lenders, working capital lenders and banks sanctioning bank guarantee limits.</p> <p>2. Collateral security: Pledge of 51% of the promoters share in AMNEPL.</p> <p>3. Irrevocable and unconditional corporate guarantee of Abhijeet Infrastructure Limited guaranteeing to cover any shortfall in the amount payable in respect of the loans in the event of termination of the concession</p>

Sr. No.	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of March 27, 2011(in ₹ Million)	Interest rate	Tenure (years)	Salient conditions /covenants
							agreement.
4.	Vijaya Bank	Sanction letter dated November 23, 2010	110.00	-	Base rate plus 3.75% on monthly rests		<p>1. Primary security: First charge on AMNEPL's current assets both present and future consisting of inventory, stock in process pertaining to the power project, receivables and book debts not older than 120 days and such other current assets both present & future on first pari passu basis with other participating banks.</p> <p>2.Collateral Securities: Continuing charge on the assets available as security for the term limits as listed.</p>
5.	Bank of India	Sanction letter dated November 30, 2010	70.00	-	Base rate plus 3.00%	-	<p>1.Primary securities: First Pari passu charge on current assets of MIHAN Power Project with term loan lenders and bank guarantee lenders</p> <p>2. Collateral security: Pledge of 51% equity shares held by the Promoters up to the period of 12 months from scheduled commercial operations date and 26% thereafter.</p>

Sr. No.	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of March 27, 2011(in ₹ Million)	Interest rate	Tenure (years)	Salient conditions /covenants
6.	UCO Bank	Sanction letter dated January 14, 2011	170.00	-	Base rate plus 3.50%	-	<p>1. First Mortgage over leasehold property and charge over all the projects immovable properties;</p> <p>2. First charge over all of the movable assets of the project, present and future;</p> <p>3. First charge on book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, intangibles, goodwill, uncalled capital, present and future;</p> <p>4. First charge by way of assignment over all interests, benefits claims of AMNEPL in project documents;</p> <p>5. Pledge of shares held by sponsors and shareholders representing 51% of issued and paid up share capital of AMNEPL.</p> <p>6. Corporate guarantee of AINL for shortfall in amount payable in respect of the facility on account of termination of concession agreement.</p>

Sr. No.	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of March 27, 2011(in ₹ Million)	Interest rate	Tenure (years)	Salient conditions /covenants
7.	Indian Bank	Sanction letter dated March 4, 2011	60.00	-	Base rate plus 3.50% plus tenure premium (0.50%)	One year	1. First pari passu charge on all fixed assets, current assets and other security charged to senior term loan lenders and bank guarantee lenders. 2. AMNEPL shall pay a penal interest of 1% with effect from October 1, 2010 for delay in security creation.
8.	Bank of Maharashtra	Sanction letter dated, June 22, 2011	90.00	-	Base rate plus 3.25% per annum	On Demand	1. Security includes pari-passu charge on all mortgage, fixed assets, current assets and other security of MIHAN power plant both present and future. 2. There shall be a penal interest payable at the rate of 2% per annum for period of default, for non-compliance with any of the terms of the sanction.

¹ Includes ₹300.00 million loan equivalent risk (LER) as a sub limit for a period of 12 years for booking forward and derivative contracts.

c. LER (Loan Equivalent Risk):

Sr. No	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of March 27, 2011 (in ₹ Million)	Tenure (years)	Salient conditions /covenants
1.	Axis Bank Limited	Sanction letter dated December 21, 2009 ²	150.00	102.80	3	1. AMNEPL shall incur exchange risk. 2. Bank has the right to stop fresh bookings and ask for additional margin, in case exposure reaches 90% of LER. 3. Bank, at its discretion, cut

Sr. No	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of March 27, 2011 (in ₹ Million)	Tenure (years)	Salient conditions /covenants
						positions appropriately to an extent of 25% of the LER limit, in the event exposure reaches the LER limit due to adverse market conditions.

¹ Pursuant to the condition provided in the sanction letter, AMNEPL has provided counter indemnity for guarantee limit to Axis Bank Limited through an agreement dated March 17, 2010

² Pursuant to the condition provided in the sanction letter, AMNEPL has executed a deed of indemnity, dated January 14, 2010, in favour of Axis Bank Limited

#- The aforesaid loans were sanctioned when the project capacity was 175 MW (3 x 50 MW and 25.6 MW DG set). The capacity was subsequently revised to 271.6 MW (4x61.5 MW with 25.6 MW DG set). Lenders approved this arrangement through additional common senior rupee loan agreement, second addendum to common senior rupee loan agreement, second addendum to subordinate rupee loan agreement, the additional rupee loan agreement, each dated March 12, 2010 and addendum to foreign currency term loan dated March 25, 2010.

AMNEPL is required to pay interest linked to the Axis BPLR (except SBT and SBM). The revision of applicable interest rate due to change in the Axis BLPR is to be effected without changing the spread. Lenders shall have a right to revise the spread at their discretion on the spread reset date that is November 30, 2010 and the day falling every two years thereafter.

Cross default as an event of default:

AMNEPL's loan agreements specify certain events to be 'events of default'. This includes the following events which also pertain to any other indebtedness of AMNEPL:

- i. If any financial indebtedness of AMNEPL is not paid when due or within any originally applicable grace period.
- ii. If any financial indebtedness of AMNEPL is declared to be or otherwise becomes due and payable prior to its specified maturity.
- iii. If any commitment for any financial indebtedness of AMNEPL is cancelled or suspended by a creditor of AMNEPL.
- iv. If any creditor of AMNEPL declares any financial indebtedness of AMNEPL due and payable prior to its specified maturity.
- v. If any financial indebtedness of AMNEPL which is repayable on demand is not repaid on demand so made.
- vi. If any principal, interest, premium or other amount due to any other banks/financial institutions including existing lenders has been defaulted by AMNEPL.

However, a default shall not amount to a cross default unless:

- i. Under the foreign currency term loan: unless the aggregate amount of financial indebtedness or

commitment for financial indebtedness exceeds US \$ 100,000 or equivalent in any other currency.

- ii. Under the additional common senior rupee loan agreement and additional subordinate rupee loan agreement: Unless the default relates to an amount exceeding ₹ 10 million.

III) Corporate Power Limited (CPL): 1,080 MW Pithead Coal based Power Plant (“Chandwa Power Project”) at Latehar, State of Jharkhand

Below is a summary of outstanding indebtedness of CPL in relation to setting up first two units of 270 MW each aggregating to 540 MW of the Chandwa Power Project

Sr . No	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of April 30, 2011 (in ₹ Million) ²	Interest rate (in % p.a.)	Tenure (years)	Repayment	Security undertakings by promoters, financial covenants and other salient conditions
1.	Allahabad Bank (“ALB”), Andhra Bank (“AB”), India Infrastructure Finance Company Limited (“IIFCL”), Indian Bank (“IB”), Rural Electrification Corporation Limited (“REC”), State Bank of Hyderabad (“SBH”), State Bank of India (“SBI”), State Bank of Patiala (“SBOP”), Union Bank of India (“UBI”) ³	Common loan agreement, dated December 5, 2009 and as amended on March 25, 2010 for the purpose of financing the first two units (2 x 270 MW aggregating to 540 MW) of the Chandwa Power Project, 540 MW (“first two units of the Chandwa Power Project”)	Aggregate amount: 20,300.00	9,317.99	Construction period (“CP”); commercial operation date (“COD”); final settlement date (“FSD”)		40 quarterly repayments commencing from June 30 2013, except for UBI which commences at March 31, 2013.	See Note 4
			ALB: 2,000.00	998.81	During CP : PLR of ALB; from COD to FSD: PLR of ALB (minus) 25 bps	13.5 years		
			AB: 1,250.00	606.93	During CP : PLR of AB; from COD to FSD : PLR of AB (minus) 25 bps	13.5 years		
			IIFCL: 3,000.00	1,338.00	During CP : PLR of IIFCL; from COD to FSD : PLR of IIFCL, plus such interest spread as determined by IIFCL	13.5 years		
			IB: 500.00	242.88	During CP: PLR of IB	13.5 years		

Sr . No	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of April 30, 2011 (in ₹ Million) ²	Interest rate (in % p.a.)	Tenure (years)	Repayment	Security undertakings by promoters, financial covenants and other salient conditions
					plus term premium of 50 bps interest spread of (minus) 75 bps; from COD to FSD: PLR of IB plus term premium of 50 bps plus interest spread of minus 100 bps			
			REC: 5,550.00	2,475.30	Present rate of interest is 11.75% with a three years reset. (Pre COD and Post COD). Interest rate for each drawdown shall be subject to reset by REC at its sole discretion at the end of every three years from date of such drawdown.	13.5 years		
			SBH: 1,250.00	607.17	During CP: SBAR; from COD to FSD : SBAR plus interest spread of (minus) 25 bps	13.5 years		
			SBI: 3,500.00	1, 560.30	During CP: SBAR; from COD to FSD: SBAR plus interest	13.5 years		

Sr . No	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of April 30, 2011 (in ₹ Million) ²	Interest rate (in % p.a.)	Tenure (years)	Repayment	Security undertakings by promoters, financial covenants and other salient conditions
					spread of (minus) 25 bps			
			SBOP: 1,000.00	485.08	During CP: PLR of SBOP plus interest spread of (minus) 50 bps; from COD to FSD: PLR of SBOP plus interest spread of (minus) 75 bps	13.5 years		
			UBI: 2,250.00	1,003.52	During CP: BPLR of UBI plus interest spread of (plus) 50 bps; from COD to FSD : PLR of UBI plus interest spread of (plus) 25 bps	13.25 years		
2.	Rural Electrification Corporation Limited (“REC”) and State Bank of India (“SBI”) (“lenders”)	Subordinate loan agreement dated March 23, 2010 for the purpose of financing the first two units of the Chandwa Power Project	Aggregate amount: 1,450.00 REC: 950.00 SBI: 500.00	646.48; 423.70 222.78	Interest rate shall be 2% higher than interest rate applicable for the senior loan, as per REC’s loan policy circular. Present rate of interest is 11.75% with a three years reset (Pre COD and Post COD). Interest rate for each	14.5 years	44 monthly installments commencing from last date of next calendar quarter falling after expiry of the moratorium period in accordance with the amortization schedule. Repayment commencing from September 2013	See Note 4. However the loan is secured by a second charge over property and assets of CPL as set out in Note 4.

Sr. No	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of April 30, 2011 (in ₹ Million) ²	Interest rate (in % p.a.)	Tenure (years)	Repayment	Security undertakings by promoters, financial covenants and other salient conditions
					drawdown shall be subject to reset by REC at its sole discretion at the end of every three years from date of such drawdown.			
					During construction period SBAR (plus) 175 bps from COD to FSD SBAR (plus) 125 bps			

¹ The aforesaid amounts sanctioned also include sub-limit amounts sanctioned towards letter of credit ("LC") facilities as per details mentioned below:

Sr. No.	Lender	Amount (in ₹ Million)
1)	SBI	3,500.00
2)	IIFCL	3,000.00
3)	UBI	2,250.00
4)	AB	1,250.00
5)	SBH	1,250.00
6)	SBOP	1,000.00
7)	IB	500.00
	Total	12,750.00

² Amount outstanding also includes LC amounts.

³ CPL has received sanction from REC for change of capacity from 4 x 135 MW to 2 x 270 MW. The common loan agreement is being amended to reflect the same.

a. Bank Guarantee Limit:

In addition to the aforesaid, CPL has also been sanctioned certain bank guarantee limits, which are as follows:

Projects	Guarantor	Amount Sanctioned (in ₹ Million)	Amount outstanding as at April 30, 2011 (in ₹ Million)	Validity	Security and other salient conditions
540 MW (First two units of 270 MW each) for Chandwa Power Project	SBI	750.00	384.00	Upto January 4, 2013	See Note 5
540 MW (first two units of 270 MW each) for Chandwa Power Project	SBOP	750.00	-	Upto 165 days from date of issue of bid bond guarantee and 48 to 60 months plus three months from date of issue for contract performance guarantee	See Note 6
Total		1,500.00	384.00		

b. Forward Contract / Derivative Limit:

Sr. No	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of April 30, 2011 (in ₹ Million)	Salient conditions /covenants
1.	State Bank of India	Sanction letter dated June 10, 2010	Forward Contract / Derivative Limit of ₹ 3,320.00 Million against Credit Exposure Limit (CEL) of ₹ 66.20 Million.	-	The forward contract derivative limit is secured by a first charge on the entire assets of CPL on pari passu basis with other consortium members.

Interest reset date shall in relation to the SBI mean a day falling every year from the date of initial drawdown during the construction period and after the COD, the day falling on every anniversary of COD and shall in relation to REC mean in respect of each drawdown, a day falling every three years from the date of such drawdown.

Cross default as an event of default:

CPL's loan agreements specify certain events to be 'events of default'. This includes the following events which pertain to any other indebtedness of CPL:

- (i) CPL's failure to pay any amount or meet with any obligation when due to any other persons (any person other than the lenders to the agreement).
- (ii) Event of default being constituted in relation to any of CPL's credit, borrowing or any other arrangement with any other person including any default which has been committed in relation to the documents relating to the first two units of the Chandwa Power Project, which constitutes a default or an event of default thereunder
- (iii) Any event in which, any other person demands repayment, ahead of the previously agreed

schedule, from CPL under CPL's credit, borrowing or any other arrangement with any other person.

Note 4:

This note sets out the assets given as security, the financial covenants and the undertakings as set out in CPL's loan documents. Some of these may be common across all loans, and some of them may be specific to a particular loan or loans.

The loan is secured by:

- (i) A first mortgage and charge on all immovable properties pertaining to the first two units of the Chandwa Power Project being developed, including the land used for the Chandwa Power Project, both present and future.
- (ii) A first charge by way of hypothecation of all tangible moveable assets, pertaining to the first two units of the Chandwa Power Project including movable plant and machinery, machinery spares, tools and accessories furniture and fixtures, vehicles, consumables and all other moveable assets, both present and future.
- (iii) A first charge on CPL's receivables, including operating cash flows, of whatsoever nature and wherever arising, both present and future.
- (iv) A first charge over all accounts including and without limitation, the escrow account, the trust and retention account, the subordinate debt service reserve account, and other retention accounts and all other accounts opened in terms of the documents related to the first two units of the Chandwa Power Project and funds be deposited therein time to time.
- (v) A first charge over all the intangibles of CPL, present and future.
- (vi) A first charge by way of assignment or otherwise creation of security interest in all the rights, title, interest, benefits, claims and demand of CPL (a) in the first two units of the Chandwa Power Project documents duly acknowledged and consented to by the relevant counter parties to such project documents; (b) in, to and under all the Government approvals; (c) in any letter of credit or guarantee including contractor guarantee and liquidated damages; (d) all insurance contracts and insurance proceeds.
- (vii) Pledge of equity shares held by the promoters aggregating to 51% of the paid up and voting capital of CPL
- (viii) Irrevocable and unconditional corporate guarantee by Corporate Ispat guaranteeing to cover any shortfall in the amount payable in respect of subordinate loans

The aforesaid mortgages, charges, hypothecation, assignments and pledge shall in all respects rank pari-passu inter-se amongst the senior lenders and the working capital lenders without any preference or priority to one over the other or others.

Promoter's undertakings:

CPL's loan documents classify Corporate Ispat as promoter of CPL. In such capacity as such promoter, Corporate Ispat has provided certain undertakings, which are set out below:

- (i) It shall arrange the equity contribution from time to time, so that the senior loans to subordinate loans to equity ratio of CPL is maintained at 70:5:25, as agreed by the parties.
- (ii) It shall, until equity contributions towards the project equity capital is made in full in CPL,

maintain the amount to the extent of 20% of the project equity capital in liquid assets, such as fixed deposits and mutual funds.

- (iii) It shall provide such additional funds, without any recourse to the assets of first two units of the Chandwa Power Project or CPL or to the lenders, in the event of a cost overrun or any shortfall of resources of CPL, to enable CPL to meet the cost overrun and/or shortfall in resources.
- (iv) It shall not, until the commercial operation date (“COD”), without prior approval of lenders, make any commitment to providing funds for any other project, whether by way of subscription to equity share capital otherwise except the projects, expansion plans and investment in the mining sector that have been disclosed to the lenders during the appraisal.
- (v) It shall provide additional funds to CPL to the satisfaction of the lenders, at any time and from time to time, as may be required by CPL to maintain a minimum DSCR of 1.1.
- (vi) It shall complete and commission the sponge iron plant proposed to be set up by the Corporate Ispat within time period stipulated by the Ministry of Coal as a condition for the allocation of Chitarpur coal block and shall develop the coal mines at Chitarpur at such capacity as would meet the requirements of both the proposed sponge iron plant and the Chandwa Power Project being set up by CPL, in accordance with the terms of allocation of the Chitarpur coal block.
- (vii) It shall ensure that operations of the sponge iron plant proposed to be set up by it shall be concurrent with the operations of the first two units of the Chandwa Power Project.
- (viii) It shall make best efforts to transfer the ownership/control of the coal mines to CPL, if permitted by law.
- (ix) It shall ensure that with regard to the fuel supply agreement, that:
 - (x) a) CPL obtains firm supply of 2.9 metric tonnes per annum of coal having 3200 Kcal/Kg gross calorific value.
 - b) the contract price for supply of such coal at the delivery point at the project site (loading yard for conveyor system) does not exceed ₹ 550 per metric tonne for fiscal year 2008-2009, including taxes, royalties and other duties to be reimbursed to Corporate Ispat by CPL at actuals.
 - c) the contract price is not escalated beyond 5% annually, until the secured obligations are fully discharged to the lender’s satisfaction.
 - d) in case of any deviation in the gross calorific value of coal supplied (higher or lower), the total amount payable by CPL is as stated above for the corresponding quantity supplied to CPL assuming the gross calorific value of 3,200 kcal/kg;
 - e) CPL is compensated by Corporate Ispat for the excess cost/loss incurred by CPL, the event of shortfall in supply of coal as above as a result of which CPL sources coal supply from third party.
- (xi) It shall ensure that it fulfills its obligation to supply fuel to CPL.
- (xii) It and Abhijeet Infrastructure Limited shall furnish an undertaking that money raised by dilution of equity held by them (₹ 3,500 million by Corporate Ispat and ₹ 500 million by Abhijeet Infrastructure Limited) shall be utilized only as project equity capital and to this end Abhijeet Infrastructure Limited and Corporate Ispat shall furnish quarterly certificates to the effect that this undertaking is complied with.

- (xiii) It and AINL shall maintain at least 51% of the paid up and voting equity share capital of CPL, in Corporate Ispat's name and/or jointly with AINL at all times, up to the final settlement date and shall continue to be Corporate Ispat's subsidiary.
- (xiv) It and AINL shall furnish a declaration confirming that Corporate Ispat and AINL continue to hold 51% of the paid up and voting share capital of CPL.
- (xv) It and AINL shall except the pledge of shares not transfer, assign, or otherwise dispose of the shares required to be held and maintained and/or grant or transfer or make available to any person any right or power in respect of such shares.
- (xvi) It and AINL shall pledge such number of shares as would constitute 51% of the paid up and voting equity share capital of CPL.
- (xvii) Abhijeet Group shall not dispose off, transfer, sell or create any lien or any third party right in, or in respect of 23% of paid up and voting equity shares held by then in CPL. These shares are in addition to the minimum number of shares that are required to be held by Corporate Ispat under the agreement.

Note: AINL's obligations have been transferred to our Company pursuant to the Composite Scheme of Arrangement.

Financial Covenants:

CPL shall maintain:

- (i) Senior loan to subordinate loan to equity ratio is not greater than 70:5:25
- (ii) Current ratio shall not fall below 1.33
- (iii) Total debt gearing shall not be more than 3
- (iv) Security margin shall not fall below 25%
- (v) DSCR shall not fall below 1.3 cash sweep option: In case the DSCR in the immediate preceding fiscal year exceeds 1.3, and cash sweep option has been opted, then if 50% of such amount shall be applied towards prepayment of loans, remaining 50% shall be applied towards other permitted purposes.

Corporate actions for CPL

Certain corporate actions which require prior written consent of the lender/lenders are:

- (a) Consolidation, merger, sale or disposal of any assets or making investments in and acquisitions of, assets of any other person.
- (b) Capital expenditure or making any investments or taking assets on lease.
- (c) Making any restricted payments (as defined in the respective agreements).
- (d) Creating any security interest in any of the secured property.
- (e) Undertaking any guarantee obligations on behalf of another person, except the ordinary course of business.
- (f) Engaging in any other business other than the setting up of the first two units of the Chandwa

Power Project or changing the name, location or registered office of the company.

- (g) Making any amendments to the documents relating to the first two units of the Chandwa Power Project.
- (h) Incurring, assuming, creating, contracting or any other way becoming liable for any debt.
- (i) Repayment of money brought in by any promoter/shareholder/depositor or directors.
- (j) Any material alteration of the scope of the first two units of the Chandwa Power Project.
- (k) Any material amendment or modification of the memorandum of association.
- (l) Undertaking of any new project, or diversification, modernization or expansion of the first two units of the Chandwa Power Project.
- (m) Any prepayment of financial assistance or debt contravention.
- (n) Revaluation of assets.
- (o) Any removal of person exercising substantial powers of management of affairs, at the time of execution of the document.
- (p) Any transfer of shares in the equity contributions made by the promoters.
- (q) Any change in financial year.
- (r) Opening of any other bank accounts.
- (s) Entering into any agreement relating to utilization of the proceeds, through any mechanism including securitization.
- (t) CPL shall not raise any preferential capital.

Certain other salient conditions:

1. CPL is required to commission the first unit of 135 MW by April 01 2012 and the second, third and fourth units by May, July and September 2012 respectively. As stated above, these agreements are yet to be amended to reflect the change in configuration of the project from 4*135 MW to 2* 270 MW. Non-completion of each of the units of 270 MW by such date(s) as may be agreed between CPL and its lenders may amount to an 'event of default' under CPL's financing agreements for setting up the first two units of the Chandwa Power Project.
2. Non-creation of security in accordance with the provisions of, and within the time period set forth in the respective agreements makes CPL liable to pay penal interest.

Note 5:

Security

The SBI bank guarantee is secured by:

- (i) First charge on the entire assets of CPL on pari passu basis with consortium members.
- (ii) Corporate guarantee of Corporate Ispat to be released upon perfection of security and ceding of charge by other lenders.

Note 6:**Security**

The SBOP bank guarantee is secured by:

- (i) First charge on the entire assets of CPL on pari passu basis with consortium members.
- (ii) Counter guarantee of CPL.
- (iii) Corporate guarantee of Corporate Ispat, net worth ₹ 2, 654.30 million as on March 31, 2009. The corporate guarantee is to be released upon perfection of security and ceding of charge by other lenders.

Other conditions: SBOP has the right to convert the debt into equity at a time felt appropriate by the bank, at a mutually acceptable formula.

Corporate actions for CPL

Certain corporate actions which require prior written consent of the guarantor, under the SBI and SBOP bank guarantees are:

- (a) Any change in CPL's capital structure.
- (b) Formulating any scheme of amalgamation or reconstruction.
- (c) Undertaking of any new project, or undertaking any scheme of expansion for the Chandwa Power Project.
- (d) Invest by way of share capital or lend or advance funds or place deposits with any other concern.
- (e) Entering into borrowing arrangements with other banks.
- (f) Taking guarantee obligation on behalf of any other company (including group companies).
- (g) Declaring dividends for any year out of profits relating to that year or any of the previous years.
- (h) Creating charge, lien or encumbrance over its undertaking or any part thereof.
- (i) Sell, assign, mortgage or otherwise dispose of any the fixed assets charged to the bank.
- (j) Entering into a contractual obligation of a long term nature or affecting company financially to a significant extent.
- (k) Change in practice relating to remuneration of directors.
- (l) Undertaking any trading activity other than the sale of products arising out of its own manufacturing operations
- (m) Permit any transfer of controlling interest or making any drastic change in the management set up.
- (n) Repay money bought in by the promoters/directors principal shareholders and their friends and relatives by way deposits/loans and advances.

Loans sanctioned to CPL for 540 MW (latter two units of 270 MW each) for the Chandwa Power

Project

Below is a summary of outstanding indebtedness of CPL in relation to setting up latter two units of 270 MW each aggregating to 540 MW of the Chandwa Power Project:

Sr · No	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of April 30, 2011 (in ₹ Million)	Interest rate (in % p.a.)	Tenure (years)	Repayment	Security undertakings by promoters, financial covenants and other salient conditions
1.)	State Bank of India (“SBI”), Life Insurance Corporation (“LIC”), Punjab National Bank (“PNB”), State Bank of Bikaner and Jaipur (“SBBJ”), State Bank of Patiala (“SBP”), State Bank of Travancore (“SBT”) ¹	Common Loan Agreement dated March 28, 2011, (“Common Loan Agreement”) and first amendment dated May 13, 2011 and deed of novation dated May 13, 2011 executed by LIC, PNB, SBBJ, SBP and SBT.	Aggregate amount: 11,300.00, with a letter of credit sub-limit of 9,200.00	4,550.73 (including a letter of credit limit of 950.00) ²	Upon commercial operation date or schedule project completion date, whichever is earlier (“interest reset date”): SBI base rate plus 4% and From first interest reset date up to final settlement date: SBI Base rate plus spread as determined by SBI. (“SBI interest rate”)	14 years and 9 months	43 quarterly installments commencing from December 31, 2014.	See Note 7
			SBI 6,000.00 (including a letter of credit sub-limit of 6,000.00)		SBI interest rate			
			SBT 600.00 (including a letter of credit sub-limit of 600.00)		SBT base rate plus 4%			
			SBP 600.00 (including a letter of credit sub-limit of 600.00)		Same as SBI interest rate			
			SBBJ		Same as			

Sr . No	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of April 30, 2011 (in ₹ Million)	Interest rate (in % p.a.)	Tenure (years)	Repayment	Security undertakings by promoters, financial covenants and other salient conditions
			600.00		SBI interest rate			
			PNB 2,000.00(including a letter of credit sub-limit of 2,000.00)		PNB base rate plus 2.50% plus 0.50%			
			LIC 1,500.00		Same as SBI interest rate			

¹ The Common Loan Agreement was entered between CPL, SBI and SBI Cap Trustee Company Limited, which was amended on May 13, 2011. LIC, PNB, SBBJ, SBP, and SBT have been added as new lenders pursuant to the deed of accession and novation deeds executed by each of them, dated May 13, 2011 by which they are entitled to the rights and are bound by the obligations as set out in the Common Loan Agreement, as amended.

² Being amount drawn under an interim facility provided by SBI, pending financial closure.

SBI underwriting commitment

SBI, vide its underwriting agreement dated May 13, 2011, has agreed to underwrite an amount of ₹ 17,870.00 million out of the total debt requirement of ₹ 23,870.00 million required for the latter two units of the Chandwa Power Project (the “Underwriting Commitment”). The Underwriting Commitment is subject to the following conditions:

- i. Absence, in the opinion of SBI, of a material adverse change.
- ii. CPL agreeing to change the pricing, terms and/or structure of the common loan agreement for the latter two units of the Chandwa Power Project (“Common Loan Agreement”), if in the opinion of SBI, such changes are advisable to enhance the prospects of syndication of loans from the prospective lenders to substitute the underwriting commitment.
- iii. CPL and Corporate Ispat shall not, and cause any of their group companies not to announce, enter into any negotiations or any other discussions, mandate to raise or attempt to raise any other loan facility in the domestic syndicated loan market except as and to the extent otherwise agreed upon by SBI, until the completion of the deed of novation executed by new lenders to the common loan agreement to substitute the underwriting commitment.
- iv. The Underwriting Agreement shall automatically stand terminated on the occurrence of any of the following events:
 - a. There is delay (irrespective of whether the delay is attributable to CPL or not) in achievement of any of the milestones specified in the implementation schedule for the latter two units of the Chandwa Power Project for any reason whatsoever, which in the opinion of SBI has material adverse effect on the latter two units of the Chandwa Power Project.
 - b. Certain conditions specified in the Common Loan Agreement are not complied with

latest by June 30, 2011, except to the extent of compliance of any of these conditions is waived by SBI in writing. CPL has by letter dated June 23, 2011 applied to SBI for extension of the period by which these conditions are to be satisfied till July 31, 2011 for which it is yet to receive a response.

- c. Occurrence of a material adverse change.
- d. Default is committed in compliance of any of the conditions specified in paragraphs (ii) and (iii) above; and
- e. The new lender(s) has/have participated in the common loan agreement to substitute the underwriting commitment in entirety by execution of the deed of novation.

On the termination of the underwriting commitment on any ground specified in (iv) above (other than paragraph (iv)(e)), CPL shall syndicate the term loan to the extent of the balance Underwriting Commitment at its own cost and consequences, while always ensuring that the project is implemented within the estimated project cost as per the financing plan as set out in the common loan agreement. If CPL fails to syndicate such amount as a result of which, in SBI's opinion there is a material adverse effect, the same shall be construed as an event of default. No part of commission payable or paid towards the Underwriting Commitment shall be liable to be waived and/or refunded, upon the termination of the Underwriting Commitment.

Note 7:

This note sets out the assets given as security, the financial covenants, the undertakings and other salient conditions as set out in CPL's loan documents.

The loan is secured by:

- (i) A first mortgage and charge on all immovable properties pertaining to the latter two units of the Chandwa Power Project, including the leasehold land used for the latter two units of Chandwa Power Project, both present and future.
- (ii) A first charge on all of CPL's tangible moveable assets, pertaining to the latter two units of the Chandwa Power Project including movable plant and machinery, machinery spares, tools and accessories furniture and fixtures, vehicles, consumables and all other moveable assets, both present and future.
- (iii) A first charge on receivables from the latter two units of the Chandwa Power Project.
- (iv) A first charge over all bank accounts pertaining to latter two units of the Chandwa Power Project including and without limitation, the trust and retention account, debt service reserve account and other reserves and the retention accounts other retention accounts opened in terms of the documents related to the latter two units of the Chandwa Power Project and in all funds deposited therein time to time.
- (v) A first charge over all the intangibles of CPL, pertaining to the latter two units of the Chandwa Power Project, including but not limited to goodwill, rights, undertakings and uncalled capital, present and future.
- (vi) Assignment by way of security of all the right, title, interest, benefits, claims and demands of CPL a.) in documents relating to latter two units of the Chandwa Power Project duly consented by counter-parties of such documents all as amended, varied or supplemented from time to time; b.) in all clearances pertaining to latter two units of the Chandwa Power Project to the extent the same are assignable; c.) in any letter of credit (or such other security to be provided by the procurers of power under the terms of PPA), guarantee including contractor guarantees and liquidated damages

and performance bond provided by any party to the documents pertaining to latter two units of the Chandwa Power Project; d.) under all insurance contracts under all insurance contracts and insurance proceeds relating to latter two units of the Chandwa Power Project.

- (vii) Pledge of equity shares of CPL aggregating to 51% of the paid up and voting equity share capital of CPL, till the final settlement date for latter two units of the Chandwa Power Project.

Financial Covenants:

- (i) Debt to equity ratio shall not fall below:
 - a. 80:20 during the 12 months from the notice to proceed ("NTP") date.
 - b. 79: 21 from the 13-24 months from NTP date
 - c. 77:23 from the 25-36 months from NTP date
 - d. 75:25 from the 37th month from NTP date
- (ii) Total debt gearing of 3 (three).
- (iii) Current ratio of 1.33.
- (iv) Security margin of 22%.
- (v) DSCR shall not fall below 1.3

Cash sweep option: In the event DSCR is equal to or exceeds 1.5, lender has the right to apply 50% of the surplus cash over and above DSCR of 1.5, generated by CPL for a particular year, towards prepayment of loans relating to latter two units of the Chandwa Power Project.

Sponsors undertaking:

Corporate Ispat has been named as the sponsor in the loan agreement, and it has undertaken the following:

- (i) It shall arrange the equity contribution towards the equity capital from time to time, so as to ensure that latter two units of the Chandwa Power Project are constructed and completed according to the implementation schedule.
- (ii) It shall make equity contributions to meet the shortfall arising out of cost overrun up to 10% of the estimated cost of the project.
- (iii) It directly or/through group companies hold and continue to hold at least 51% of the paid up and voting equity share capital of CPL and continue to retain management of and control over the CPL up to final settlement date of the latter two units of the Chandwa Power Project.
- (iv) It shall ensure that the memorandum of understanding with the Government of Jharkhand remains valid till the commercial operation date of the latter two units of the Chandwa Power Project or till the execution of firm power purchase agreement with the Jharkhand State Electricity Board, whichever is earlier.
- (v) It shall make adequate equity contribution to the CPL to enable CPL to meet its debt service requirement if, on account of compulsory sale of any power to the Jharkhand State Electricity Board at energy charge pursuant to memorandum of understanding with Government of Jharkhand, there is a shortfall in the revenue of CPL and consequently, CPL is not able to meet its debt service requirement from time to time.
- (vi) It shall provide excess commitment amount, being the amount which is a result of devaluation of rupee against a foreign currency, arising due to the letter of credit for the latter two units of the

Chandwa Power Project being issued in foreign currency.

- (vii) In the event Corporate Ispat makes and/or arranges equity contribution by way of subordinate loan, then:
- a. Such subordinate loan shall be redeemed only after the final settlement date of the latter two units of the Chandwa Power and no interest on such subordinate loan shall be claimed by Corporate Ispat from CPL.
 - b. The principal amount of the subordinate loan shall not be deemed to have become due and payable by CPL until after the final settlement date of the latter two units of the Chandwa Power.
 - c. No winding up proceeding shall lie against CPL, until the final settlement date of the latter two units of the Chandwa Power for recovery of subordinate loan irrespective of whether Corporate Ispat contributes or arranges from any other person (s).
 - d. Corporate Ispat shall ensure that the other person (s), as referred in sub-clause (c) above acknowledges the aforesaid conditions before such other person(s) extends any part of the subordinate loan to CPL.
- (viii) If there is a shortfall in the revenue of CPL and it is not able to meet its debt service requirement from time to time, on account of entering a PPA with a power trading licensee (where the power trading licensee does not enter a back to back long term firm power selling agreements), Corporate Ispat shall make adequate equity contribution for CPL.
- (ix) Undertaking from Corporate Ispat that;(a) the equity contributions (including those made in the form of share application money) shall be subject to restrictions that such monies shall not be repaid before the secured obligations are fully discharged; and (b) CPL shall not pay any amount in respect of subordinate debt, except as permitted by lenders for the latter two units of the Chandwa Power Project; and (c) that Corporate Ispat shall take necessary action and cause CPL to issue and allot the equity shares within a maximum period of 90 days from the receipt of the share application money.

In pursuance of the Common Loan Agreement, CPL, Corporate Ispat and SBI have entered into a Sponsor Support Agreement (“SSA”), dated March 28, 2011. In addition to the above mentioned undertakings, Corporate Ispat has undertaken the following in the SSA:

- (i) Corporate Ispat, shall pay equity contribution of an aggregate amount equal to 20% of the project equity capital of latter two units of the Chandwa Power being ₹ 1,590.00 million.
- (ii) Lenders have the right to accelerate subscription of the Corporate Ispat’s unsubscribed portion of equity contribution towards CPL, upon the occurrence of any event of default as specified in the Common Loan Agreement.
- (iii) Corporate Ispat and CPL have undertaken that no shares of CPL shall be issued at discount.
- (iv) Corporate Ispat shall not create any encumbrance or security interest on any shares (except the pledge of shares) which are a part of the 51% of voting and controlling interest required to be held and maintained by Corporate Ispat.
- (v) Corporate Ispat shall ensure that the Memorandum of Understanding signed by CPL with the Government of Jharkhand remains valid till the commercial operation date of the latter two units of the Chandwa Power Project or till the execution of a firm PPA with Jharkhand State Electricity Board or any other entity nominated by JSEB, whichever is

earlier.

- (vi) An event of default under the SSA, shall constitute an event of default under the Common Loan Agreement.

Corporate actions for CPL

Certain corporate actions which require prior written consent of the lender are:

- (a) Consolidation, merger, sale or disposal of any assets or making investments in and acquisitions of, assets of any other person.
- (b) Capital expenditure or making any investments, other than those permitted under the loan agreement.
- (c) Making any restricted payment (as defined in the agreement)
- (d) Creating any security interest in any of the secured property, other than those permitted under the loan agreement.
- (e) Making any amendments to the documents relating to the latter two units of the Chandwa Power Project.
- (f) Incurring, assuming, creating, contracting or any other way becoming liable for any debt.
- (g) Abandonment of latter two units of Chandwa Power Project.
- (h) Prepayment of any financial assistance or debt availed.
- (i) Revaluation of the assets including assets relating to latter two units of Chandwa Power Project.
- (j) Any material amendment or modification of the memorandum of association.
- (k) Removal of any person exercising substantial powers of management of affairs of CPL, at the time of execution of this agreement.
- (l) Any payment of commission, fees or charges to sponsors, directors, managers or other person for furnishing guarantees, counter-guarantees or indemnities or for undertaking any other liability in connection with any other obligation taken by CPL.
- (m) Raising any equity or preference capital,
- (n) Any agreement by CPL to any settlement, resolution or compromise of any litigation, arbitration or other dispute.
- (o) Opening of any other bank account.

Certain other salient conditions:

1. CPL is required to complete construction of the latter two units by April 28, 2014. Non-completion may amount to an 'event of default' under CPL's financing agreements for setting up the latter two units of the Chandwa Power Project.
2. Non-creation of security in accordance with the provisions of, and within the time period set forth in the respective agreements makes CPL liable to pay penal interest.

CPL has also received bank guarantee limits from SBI and Axis Bank Limited for the latter two units of Chandwa Power Project. The details of the bank guarantee are:

S. No.	Guarantor	Amount Sanctioned (in ₹ Million)	Amount outstanding as at April 30, 2011(in ₹ Million)	Validity	Salient Conditions
1.	Axis Bank Limited	240.00 ¹	240.00	April 4, 2012	-
2.	Axis Bank Limited	197.94 ²	197.94	September 30, 2012	-
3.	SBI	440.00 ³	-	The bank guarantee shall be valid till the bank guarantee facility May 13, 2011 is revoked by CPL in writing or until all money's due have been paid to the bank, whichever is later.	See Note 8
4.	SBI	1,500.00	-	The bank guarantee shall be valid till the bank guarantee facility agreement, dated March 28, 2011 is revoked by CPL in writing or until all money's due have been paid to the bank, whichever is later.	See note 8

¹ The aforementioned bank guarantee is issued for the purpose of giving guarantee to PGCIL for bulk power trading agreement, dated February 24, 2010 entered between CPL and PGCIL.

² The aforementioned bank guarantee is issued to Central Coalfields for the purpose of giving guarantee in relation a letter of assurance to be issued to CPL which has since been issued.

³ The limit has been sanctioned for submission of bank guarantee of to the extent of ₹ 240 million to PGCIL and to the extent of ₹ 200 million to Central Coalfields.

Hedging Facility

CPL has received a hedging facility from SBI, the details of which are as under.

Sr. No	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of April 30, 2011 (in ₹ Million)	Tenure (years)	Salient conditions /covenants
1.	SBI	CPL and SBI have entered into the following agreements in relation to the hedging facility: a. ISDA master agreement 2002, dated March 28, 2011. b.Master Agreement for dealing with the	340.00 with a maximum notional amount of 3,320.00	--	3	1. CPL shall be subject to the conditions, representations and warranties under the ISDA master agreement, 2002.

Sr. No	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of April 30, 2011 (in ₹ Million)	Tenure (years)	Salient conditions /covenants
		central treasury dated March 28, 2011. c.Risk management policy letter from CPL to SBI, dated March 28, 2011 d. Risk disclosure statement for over the counter derivative transaction furnished by CPL. e. Record of hedge facility documents, dated March 28, 2011.				

Note 8:

Security:

This note sets out the assets given as security and the undertakings as set out under CPL's bank guarantee sanctions.

The loan is secured by:

- (i) A first mortgage and charge on all immovable properties pertaining to the latter two units of the Chandwa Power Project, including the leasehold land used for the latter two units of Chandwa Power Project., both present and future.
- (ii) A first charge on all of CPL's tangible moveable assets, pertaining to the latter two units of the Chandwa Power Project including movable plant and machinery, machinery spares, tools and accessories furniture and fixtures, vehicles, consumables and all other moveable assets, both present and future.
- (iii) A first charge on receivables from the latter two units of the Chandwa Power Project.
- (iv) A first charge over all bank accounts pertaining to latter two units of the Chandwa Power Project including and without limitation, the trust and retention account, debt service reserve account and other reserves and the retention accounts other retention accounts opened in terms of the documents related to the latter two units of the Chandwa Power Project and in all funds deposited therein time to time.
- (v) A first charge over all the intangibles of CPL, pertaining to the latter two units of the Chandwa Power Project, including but not limited to goodwill, rights, undertakings and uncalled capital, present and future.

- (vi) Assignment by way of security of all the right, title, interest, benefits, claims and demands of CPL a.) in documents relating to latter two units of the Chandwa Power Project duly consented by counter-parties of such documents all as amended, varied or supplemented from time to time; b.) in all clearances pertaining to latter two units of the Chandwa Power Project to the extent the same are assignable; c.) in any letter of credit (or such other security to be provided by the procurers of power under the terms of PPA), guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the documents pertaining to latter two units of the Chandwa Power Project; d.) under all insurance contracts under all insurance contracts and insurance proceeds relating to latter two units of the Chandwa Power Project.
- (vi) Pledge of equity shares of CPL aggregating to 51% of the paid up and voting equity share capital of CPL, till the final settlement date for latter two units of the Chandwa Power Project.
- (vii) Corporate guarantee by Corporate Ispat.

Corporate actions for CPL:

Certain corporate actions which require prior written consent of the guarantor, under the SBI bank guarantees are:

- (a) Incurring or creating any further indebtedness besides permitted indebtedness.
- (b) Carrying any other business activity other than in connection with the project, issue any guarantee or letter of credit or any securities or revalue assets and properties of the company.
- (c) Modification of any constitutional documents.
- (d) Any amendment, grant of waiver or modification, termination assignment or transfer of the bank guarantee documents after the bank guarantee has been issued under this agreement
- (e) Payment of commission to anyone for the purpose of furnishing a Corporate Guarantee. .
- (f) Creating any security interest on present and future property and assets other than for permitted security.

IV) Jas Infrastructure and Power Limited (JIPL): 1,320 MW (2 x 660 MW) Coal based Power Plant (“Banka Power Project”) at Banka District in Jharkhand

I. Summary:

The debt requirement for JIPL’s 1,320 MW (2 x 660 MW) power project with supercritical parameters proposed to be set up at Siriya Village, Baunsi Block, Banka District, Bihar is estimated at ₹ 59,200.00 million, based on estimated project cost of ₹ 74,000 million. Axis Bank Limited, vide sanction letter bearing no. AXIS/CO/IFB/926 dated July 19, 2010 addressed to JIPL, and as amended vide letter bearing no. AXISB/CO/IFB/1029 dated September 14, 2010 (“Axis Bank Sanction”), and UCO Bank, vide sanction letter bearing no. CHG/ADV/1013/2010-11 dated September 14, 2010 (“UCO Bank Sanction”) and Punjab National Bank (“PNB”) vide letter dated September 29, 2010 (“PNB Sanction”) (Axis Bank Sanction, the UCO Bank Sanction and the PNB Sanction are collectively referred to as the “JIPL Sanctions”), have agreed to underwrite the aforesaid debt component as follows:

(i) Axis Bank Sanction:

Underwriting the rupee term loan of ₹ 44,400.00 million: The underwritten amount of ₹ 44,400.00 million comprises of senior debt of ₹ 41,620.00 million and sub debt of ₹

2,780.00 million. The above also includes bank guarantee facility of ₹ 5,000.00 million (as a part of the term loan facility) and letter of credit/standby letter of credit limit and LoU, as a sub-limit to the term loans, to enable JIPL to avail buyer's credit.

Pursuant to the Axis Bank Sanction, JIPL has been sanctioned a letter of credit limit with a bank guarantee as a sub-limit. For details see "Letter of Credit Limit" below.

(ii) *UCO Bank Sanction:*

Underwriting the rupee term loan of ₹ 14,800.00 million: The underwritten amount of ₹ 14,800.00 million comprises of senior debt of ₹ 13,880.00 million and sub debt of ₹ 920.00 million. Of this amount, the UCO Bank Sanction specifies that the bank's hold position (final exposure on successful syndication) is proposed at ₹ 2,500.00 million, comprising of senior debt of ₹ 2,350.00 million and sub debt of ₹ 150.00 million.

Pursuant to the Axis Bank sanction, UCO Bank has also agreed to arrange the (balance) debt amounting to ₹ 14,800 million, being the debt component for the Banka Power Project not underwritten by Axis Bank. Further pursuant to the UCO bank Sanction, UCO Bank has agreed to co-arrange for the entire debt amount of ₹ 59,200 million.

(iii) *PNB Sanction*

Underwriting the rupee term loan of ₹ 14,800.00 million jointly with Axis Bank: The underwritten amount of ₹ 14,800.00 million comprises of senior debt of ₹ 13,875.00 million and sub debt of ₹ 925.00 million. PNB has sanctioned a term loan of ₹ 5,000 million comprising of senior debt of ₹ 4,670.00 million and sub-debt of ₹ 330 million. Of this amount, the PNB Sanction specifies that the bank's hold position (final exposure on successful syndication) is proposed at ₹ 5,000.00 million, comprising of senior debt of ₹ 4,670.00 million and sub debt of ₹ 330.00 million.

PNB has also sanctioned a short term loan of ₹ 3,000.00 million for a maximum period of 12 months within the term loan limit of ₹ 5,000.00 million to enable the company to meet project implementation expenditure, pending financial closure/disbursement, for smooth implementation of the project at an interest rate of 11.50% (linked to PNB base rate). PNB sanction also includes a letter of credit/standby letter of credit limit and letter of undertaking, with a sub-limit ₹ 5,000.00 million within the term loan limit, to enable JIPL to avail buyer's credit. For details, see "Short term loan agreement with Punjab National Bank" below.

II. Means of finance contained in the JIPL Sanctions:

The JIPL Sanctions set out the following means of finance:

The project to be funded by a debt: sub debt: equity ratio of 75:5:20, comprising of the following:

Debt: ₹ 55,500.00 million;

Sub debt: ₹ 3,700.00 million; and

Equity: ₹ 14,800.00 million.

III. Salient terms and conditions of the JIPL Sanctions are as follows:

(i) *Security*

The above mentioned sanctions are secured by:

- a) A first charge on all movable and immovable assets of JIPL, present and future.
- b) A first charge on the letter of credit/escrow account, trust and retention account, debt and service reserve account and other reserves and any other bank accounts of JIPL wherever maintained, present and future.
- c) A first charge/ assignment of all revenues and receivables of JIPL.
- d) A first charge over all the intangibles of JIPL, including but not limited to goodwill, undertakings and uncalled capital, present and future.
- e) Assignment/ agreement to assign by way of charge in favour of lenders, all rights, titles and interests of JIPL from all contracts, insurance, licenses in to and under all assets of the Banka Power Project and all project documents (including but not limited to letter of support, power purchase agreements/power sale agreements for sale of power, engineering, procurement and construction/ other contracts, O&M related agreements, land and lease agreement, fuel transportation agreement, service contracts etc.) which JIPL is party to including contractor guarantees, liquidated damages and all other contracts relating to the project.
- f) Pledge of equity shares representing 51% of the total equity share capital of JIPL. The shares shall be free from any restrictive covenant/lien encumbrance under any contract/agreement including shareholder agreement/joint venture agreement/financing agreement with regard to pledge/ transfer of shares including transfer upon enforcement of pledge and have full voting rights.

Subordinate debt shall have second pari-passu charge on all of the above mentioned securities.

- (ii) *Tenure:* Door to door tenor of 14 years and 9 months.
- (iii) *Commercial Operations Date (COD):* The project should be completed in all respects and commercial operations commenced within 45 months from “financial closure”, that is the date of signing of loan agreements.
- (iv) *Rate of interest:* 11.50 % p.a. payable monthly linked to base rate of Axis Bank for senior debt. 13.5% p.a. for sub-debt, payable monthly linked to base rate of Axis Bank. Lenders may shall reset the spread on COD and every two years thereafter. The spread shall be the difference between the base rate and applicable interest rate.
- (v) *Repayment:* 40 equal quarterly installments post moratorium period, which is 12 months from the COD of the project.
- (vi) *Mandatory cash sweep mechanism:* In case the DSCR in any year exceeds 1.40, 50% of the surplus cash (that is, which is available for distribution to shareholders of JIPL) above 1.40 DSCR will be utilized for prepayment of term debt, in inverse order of maturity, without prepayment penalty to that extent.

There are certain pre-disbursement conditions, conditions subsequent to the first disbursement and other conditions which include internal bank approvals

- (vii) *Financial covenants:* JIPL to ensure compliance with the following:
 - a. Total term loans (including unsecured loans, other than loans from promoters, in terms of

their undertaking, which are non-interest bearing, and non-repayable during the tenure of bank's loan)/total net worth shall not exceed 80:20;

b. FACR of 1.15 from the first full year of operations;

c. DSCR of 1.10

(viii) *Dividends*

Payment of dividend subject to the following conditions, namely, no outstanding event of default or potential event of default, repayment of debt having commenced, all reserves including DSRA funded adequately, mandatory cash sweep and maintenance of financial covenants.

Conversion rights: In the case of an event of default under loan documents relating to our Company and AMNEPL ("borrowers"), the lenders are entitled to convert, at their option, the amount in default, under the said loan agreements, into fully paid up equity shares of the respective borrowers.

IV. Short term loan agreement with Punjab National Bank

Punjab National Bank ("PNB") and JIPL have entered into a short term loan agreement, dated September 29, 2010 to enable drawdown of a short term loan. The terms of the loan are:

Sr. No	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of April 30, 2011 (in ₹ Million)	Interest rate (in % p.a.)	Tenure	Repayment	Security and other salient conditions
1.	PNB	Short term loan agreement, dated September 29, 2010 for the Banka Power Project	3,000.00	3,000.00	PNB base rate (which is currently at 11.50% p.a.), with monthly resets	12 months	Adjusted out of the disbursement or regular term loan, or within a maximum period of 12 months whichever is earlier	See Note 9

Note 9:

Security

The loan is secured by a corporate guarantee given by our Company, pursuant to which our Company and PNB have entered into an agreement of guarantee, dated September 29, 2010.

Corporate actions for JIPL

JIPL cannot create any lien, charge, mortgage or encumbrance on its assets in favour of any person other than proposed consortium member banks.

V. Letter of Credit Limit:

JIPL has been issued a letter of credit for the Banka Power Project which includes a bank guarantee as a sub-limit, which is as follows:

Guarantor	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of April 30, 2011 (in ₹ Million)	Tenure (years)	Salient conditions /covenants
Axis Bank Limited	Sanction letter dated January 12, 2011	Letter of credit for 29,600.00, and bank guarantee (as sub-limit) for 5,000.00 ²	4,082.00 (including bank guarantee of 12.00)	Maximum period of 3 years with the due date falling within availability period of the term loan. ¹	See Note 10.

¹ In pursuance of the bank guarantee limit, Axis Bank Limited has provided a bank guarantee of ₹ 12.00 million to PGCIL in relation to application made by JIPL for long term access. The bank guarantee is valid till February 04, 2012.

Note 10:

Security

This facility is secured by:

- A personal guarantee of Manoj Jayaswal and a corporate guarantee of our Company.
- Mortgage of all movable and immovable project assets.
- Counter indemnity to be furnished by JIPL in favour of Axis Bank Limited

VI. Sanction letters

JIPL has received certain sanction letters for term loans for the Banka Power Project as per detail below:

Sr. No	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of April 30, 2011(in ₹ Million)	Interest rate (in % p.a.)	Tenure/validity	Repayment	Security and other salient conditions
1.	India Infrastructure Finance Company Limited	Sanction Letter dated, January 19, 2011 for a term loan	5,250.00	-	11.50% linked to base rate of lead bank.	Term loan is available for drawdown till 180 days after commercial operation date ("COD") of the last the unit	48 quarterly installments commencing from October 1, 2015 and ending on September 2027	Same as Security for the JIPL underwriting sanction letters
2.	Housing and Urban Development Corporation Limited	In principle sanction letter, dated March 31, 2011 for a term loan	5,000.00	-	12% p.a. (floating) or rate of interest charged by consortium lender, whichever is higher.	The sanction letter is valid for six months, from, date of issuance of letter and validity can be further extended to six months	<div> <div></div> </div>	For the in-principle sanction to be final JIPL has to be in compliance with the following: (a) tie-up of at least 50% of the debt requirement for the project; and (b) submit authenticated copy of

Sr. No	Lenders	Particulars	Amount Sanctioned (in ₹ Million)	Amount Outstanding as of April 30, 2011(in ₹ Million)	Interest rate (in % p.a.)	Tenure/validity	Repayment	Security and other salient conditions
								sanction letters of the other lenders of the project.
3.	Bank of India	Sanction letter dated April 28, 2011 for a term loan	3,000.00 with a letter of credit sub-limit of 3,000.00	-	2.75% over base rate to be linked to Base Rate of Bank of India	14 years and 9 months door to door. For IIFCL, 16 years 9 months, door to door. The letter of credit is for a maximum period of 3 years.	40 quarterly installments commencing from October 1, 2015 and ending on September 30, 2025	See Note 11
4.	State Bank of Bikaner and Jaipur	Sanction letter dated April 21, 2011 for a term loan	500.00 with a letter of credit sub-limit of 500.00	-	13.00% with monthly rests linked to base rate of the lead bank with interest spread reset on COD and every 2 years, thereafter (Subject to SBBJ rate of interest not being lower than other lenders)	14 years and 9 months door to door. For letter of credit 180 days.	10 years. that is, 40 quarterly installments commencing from October, 2015	See note 11

Note 11:

(i) Security:

The above mentioned sanctions are secured by:

- a) A first charge on all movable and immovable assets of JIPL, present and future.
- b) A first charge on the letter of credit/escrow account, trust and retention account, debt and service reserve account and other reserves and any other bank accounts of JIPL wherever maintained, present and future.
- c) A first charge/ assignment of all revenues and receivables of JIPL.
- d) A first charge over all the intangibles of JIPL, including but not limited to goodwill, undertakings and uncalled capital, present and future.
- e) Assignment/ agreement to assign by way of charge in favour of lenders, all rights, titles and interests of JIPL from all contracts, insurance, licenses in to and under all assets of the Banka Power Project and all project documents (including but not limited to letter of support, power purchase agreements/power sale agreements for sale of power, engineering, procurement and construction/ other contracts, O&M related agreements, land and lease agreement, fuel transportation agreement, service contracts etc.) which JIPL is party to including contractor guarantees, liquidated damages and all other contracts relating to the project.

- f) Pledge of equity shares representing 51% of the total equity share capital of JIPL. The shares shall be free from any restrictive covenant/lien encumbrance under any contract/agreement including shareholder agreement/joint venture agreement/financing agreement with regard to pledge/ transfer of shares including transfer upon enforcement of pledge and have full voting rights.

(ii) Sponsor Support Undertaking

Our Company has been named as the Sponsor and it has undertaken that:

- (i) It shall bring the entire equity contribution envisaged for the project including demonstration of capability to bring the entire equity to the satisfaction of the lenders.
- (ii) It shall make equity contributions to meet the shortfall arising out of cost overrun up to 10% of the estimated cost of the project.
- (iii) It shall retain management and control and majority board representation of the board of JIPL during the tenor of the facility.
- (iv) It shall facilitate the execution of mining lease agreement for Mahuagarhi Coal Block, within 12 months from the first disbursement.

Mandatory Cash Sweep Mechanism: In case the DSCR in any year exceeds 1.40, 50% of the surplus cash (i.e. which is available for distribution to shareholders) above 1.40 DSCR will be utilized for prepayment of the term debt, in inverse order of maturity, without prepayment penalty to that extent.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or disputed tax liabilities against our Company, its Subsidiaries, Joint Ventures, Directors, Promoters and Group Companies, whose outcome could have a material and adverse effect on our consolidated results of operations or financial position, and there are no defaults, non payment of statutory dues, over-dues to banks/financial institutions, defaults against banks or financial institutions, defaults in dues payable to holders of any debenture, bonds or fixed deposits and arrears of preference shares issue by our Company, its Subsidiaries, Joint Ventures, Directors, Promoters and Group Companies, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company, Subsidiaries, Joint Ventures, Directors, Promoters and Group Companies and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, its Subsidiaries, Joint Ventures, Directors, Promoters and the Group Companies.

I. Contingent liabilities as at December 31, 2010

For details of contingent liabilities of our Company and its Subsidiaries, please see “Financial Statements” on page 290.

II. Income tax search and survey proceedings

The Income Tax authorities conducted search and seizure operations under Section 132 of the Income Tax Act and survey under Section 133A of the Income Tax Act on the premises of the Company, its Subsidiaries, its Joint Venture (CPL), its Promoters, its Directors and directors of its Subsidiaries (being Manoj Jayaswal, Abhishek Jayaswal and Abhijeet Jayaswal), Joint Ventures and certain of its Group Companies (as detailed below). These operations commenced on January 18 and 19, 2011 and, in continuation to these operations, further search and survey operations were conducted on February 5, 2011, February 21, 2011 and March 18, 2011. Details of the locations and the nature of proceedings at various locations are set out hereunder:

1. Survey operations were carried out at the premises of Jas Toll Road Company Limited at Bangalore;
2. Survey operations were carried out at the project office of Abhijeet Group of Companies located at Chandwa, Latehar;
3. Survey operations were carried out at the office of Abhijeet Group of Companies located at Tulsiani Chambers, Nariman Point, Mumbai;
4. Survey operations were carried out at the office of Abhijeet Ferrotech Limited located at Kurmannapalem, Visakhapatnam;
5. Search and seizure operations were conducted at the office of Abhijeet Group of Companies located at 39, Ambazri Layout, Nagpur;
6. Search and seizure operations were conducted at the office of Abhijeet Group of Companies located at Lajpat Nagar-II, New Delhi;
7. Search and seizure and survey operations were conducted at the office of Corporate Ispat Alloys Limited located at plot no. 6, Durgapur, West Bengal;
8. Search and seizure operations were conducted at the office of Abhijeet Ferro Tech Limited, Abhijeet Cement Limited, Abhijeet Bengal Green Energy Limited, Abhijeet Hydel Energy Limited, Abhijeet Project Limited, Abhijeet Infrastructure Capital Limited and Abhijeet Hazaribagh Toll Road Limited, located at Salt Lake, Sector V, Insignia Tower, Kolkata;

9. Survey operations were carried out at the office of Abhijeet MADC Nagpur Energy Private Limited located near Mondha Hingna Tahsil, Nagpur;
10. Survey operations were carried out at the office of Abhijeet Group of Companies located at Landmark Buildings, 3rd floor, Wardha Road, Ramdaspath, Nagpur;
11. Survey operations were carried out at the office of Abhijeet Group of Companies located at Landmark Buildings, Level 4, Wardha Road, Ramdaspath, Nagpur;
12. Search and seizure operations were carried out at the office of Abhijeet Group of Companies located at Landmark Buildings, 5th floor, Wardha Road, Ramdaspath, Nagpur;
13. Survey operations were carried out at the office of Abhijeet Group of Companies located at Landmark Buildings, 6th floor, Wardha Road, Ramdaspath, Nagpur;
14. Search and seizure operations were carried out at the office of Abhijeet Group of Companies located at 8th floor, Mahabir Towers, Main Road, Ranchi;
15. Survey operations were carried out at the office of Abhijeet Group of Companies located at 9th Floor, Mahabir Towers, Main Road, Ranchi; and
16. Search and seizure operations were carried out at the the residential premises of our Directors, being Manoj Jayaswal, Abhishek Jayaswal and Abhijeet Jayaswal.

Statements of various personnel present at these offices were also recorded by the Income Tax authorities on oath in the course of the search and seizure/survey operations. Further, summons were issued under Section 131 of the Income Tax Act pursuant to these operations requiring either or all of (i) appearance for purpose of giving evidence; (ii) production of documents and (iii) giving statement on oath; before the relevant Income Tax authorities.

During these search and seizure operations, and further pursuant to impounding orders under Section 133A (3) (ia) of the Income Tax Act being passed by the Income tax authorities, certain documents and records (including but not limited to books of accounts and statutory registers, minute books, diaries, registers, bills, vouchers, purchase orders, bank statements, insurance policies, agreements, cashbook and soft data) were seized by the Income Tax authorities. Cash was also found at various locations, but was not seized. Further, the Income Tax authorities made a list of inventories of various items including details of bank accounts, plant and machinery and certain other materials.

Moreover, the Income Tax authorities had issued various prohibitory orders under Section 132(3) of the Income Tax Act to certain persons prohibiting removal or parting with or otherwise dealing with certain articles without the prior permission of the Income Tax Authorities. In addition, dealings in certain bank accounts of the Company, its Subsidiaries, its Joint Venture (CPL), its Promoters, its Directors being Manoj Jayaswal, Abhishek Jayaswal and Abhijeet Jayaswal and certain of its Group Companies were prohibited for a certain period of time. As on date of this Draft Red Herring Prospectus, such prohibitory orders have been withdrawn. Pursuant to this, Manoj Jayaswal has informed income tax authorities of income of ₹ 1,250.08 million for financial year 2010-11 by letter dated May 16, 2011 and May 23, 2011 (“**Letter**”) as a part of ongoing clarifications, as per following details:

- (i) Corporate Ispat (Promoter): ₹ 710.38 million, being income from sale of coal and manganese ore;
- (ii) Abhijeet Infrastructure Limited (Group Company): ₹ 150.00 million being income from trading in commodities.
- (iii) Manoj Jayaswal (Promoter and Chairman): ₹ 82.70 million, being income from trading in commodities.

- (iv) Abhishek Jayaswal (Managing Director): ₹ 82.50 million, being income from trading in commodities.
- (v) Abhijeet Jayaswal (Director): ₹ 82.00 million, being income from trading in commodities.
- (vi) Manisha Jayaswal: ₹ 72.00 million, being income from trading in commodities.
- (vii) Sonal Jayaswal: ₹ 70.50 million, being income from trading in commodities.

The Company, its subsidiaries, its Joint Venture (CPL), its Promoters, its Directors and directors of its subsidiaries (being Manoj Jayaswal, Abhishek Jayaswal and Abhijeet Jayaswal), Joint Ventures and certain of its Group Companies have not received any further communication from Income Tax authorities or any other regulatory authority in relation to these search and seizure and survey operations and the aforesaid Letter. The matter is pending.

III. Litigations involving our Company

Other than the Income Tax search and survey proceedings, there are no outstanding litigations involving our Company.

IV. Litigations involving our Subsidiaries and Joint Ventures

Other than the Income Tax search and survey proceedings, the details of outstanding litigations involving our Subsidiaries and Joint Ventures are as below:

A. AMNEPL

Cases filed by AMNEPL

1. Civil cases

AMNEPL, the petitioner has filed an petition (Case No. 37 of 2011), in which the Maharashtra State Electricity Distribution Company Limited (“MSEDCL”) is the respondent, before the Maharashtra Electricity Regulatory Commission, Mumbai (“Tribunal”). The petition has been filed seeking clarification regarding applicability of tariff category for start-up power connection of power plant as MSEDCL has applied HT-II commercial category for the start-up power connection for power plant, while AMNEPL beleieves altogether that it should be categorized as HT VIII Temporary Supply category, on account of its requirement for start-up power being temporary. The matter is currently pending before the Tribunal.

2. Criminal Case

AMNEPL, the complainant, has filed a criminal complaint (number 20/2011) against Pournima Pendke (the accused) before the Judicial Magistrate, First Class, Nagpur. The complaint has been filed under section 138 of the Negotiable Instruments Act, 1881 and section 420 of the Indian Penal Code 1860, in relation to dishonor of a cheque for an amount of ₹ 1.4 million which was given to AMNEPL as performance security by the accused for performing certain contractual obligations. AMNEPL has also filed an application for condonation of delay for filing the complaint. The complaint and the application for condonation of delay are currently pending before the Judicial Magistrate, First Class, Nagpur.

Cases filed against AMNEPL

3. Civil cases

- a) Lata Arun Jaiswal and others, the plaintiffs, have filed a suit (R.C.S. No. 39 of 2009) against AMNEPL, the respondent, before the Court of Civil Judge, Junior Division, Hingna. The suit has been filed against laying of 220 kV transmission line by the respondent over land comprised in khasra nos. 67/1 (of area of 0.83 hectares) and 67/2 (of area of 0.75 hectares) ("suit property") owned by the plaintiffs alleging *inter alia*, insufficient prior notice by the respondent and loss to be caused to the plaintiffs in the event the respondent is permitted to lay the transmission line. The plaintiffs have prayed, *inter alia*, for a decree by way of declaration that the act of the representatives of the respondent allegedly entering the suit property without the plaintiff's permission and the laying of the 220 kV transmission line as illegal, and plaintiffs have prayed for a perpetual/permanent injunction against the respondent and others, restraining them from laying the transmission line on the suit property, and further from entering the suit property for any purpose whatsoever, thereby causing and threatening to invade the plaintiff's right and enjoyment of the suit property in any manner whatsoever. The respondent has filed a written statement denying the plaintiffs claims and has, *inter alia*, contended that the respondent has been accorded sanction to lay overhead two way transmission line by the competent authority and hence the plaintiff cannot seek a relief contrary to the provisions of the Electricity Act, 2003. The matter is currently pending before the Court of Civil Judge, Junior Division, Hingna.
- b) AMNEPL, the appellant, has filed a revenue appeal (Revenue appeal no. 20/2010) before the Collector, Nagpur under section 249 of the Maharashtra Land Revenue Code, 1966 (the "Land Revenue Code") against the order dated August 16, 2010 ("Order") passed by the Sub Divisional Officer, Hingna, ("S.D.O. Hingna") whereby the review application filed by AMNEPL was rejected. The review application had been filed seeking review of the order dated June 19, 2010 passed by the S.D.O. Hingna, which had been passed in an appeal filed by the AMNEPL against the order dated April 8, 2010 passed by the Tahsildar, Hingna. , This order dated April 8, 2010 directed AMNEPL to pay a royalty of ₹ 8.13 million and fine of ₹ 11.73 million under the provisions of section 48 (7) of the Land Revenue Code aggregating to ₹ 19.86 million for illegal excavation activities and storage of excavated material. The appellant has filed this appeal on various grounds, *inter alia* that the excavated material was being used for its own use and not for any commercial purpose, that no mining activity had been undertaken and that section 48(7) of the Land Revenue Code was not applicable, and has prayed for the quashing of both orders passed by S.D.O. Hingna (that is, the Order and the order dated June 19, 2010) and for stay on the Order pending disposal of the appeal. The matter is currently pending before the Collector, Nagpur.
- c) MADC has alleged that the Order, as defined in 1 (b) above and order dated April 8, 2010 passed by the Tahsildar, Hingna, has been wrongly passed against MADC. Hence, it has filed an appeal (Revenue Appeal No. 23/2010) before the Additional Collector, Nagpur, where AMNEPL is one of the respondents. MADC has filed the appeal on the grounds, amongst others, that while the Tahsildar, Hingna had held AMNEPL to be liable for the royalty, the S.D.O. Hingna had passed the Order against MADC. MADC has prayed that the order be set aside, and alternatively that the penalty imposed be waived. MADC has also filed for an application seeking an ad-interim ex-parte stay against the Order. The appeal and the application are pending before the Additional Collector, Nagpur.
- d) AMNEPL had filed a revenue appeal against the order passed by Tahsildar, Hingna, imposing penal non-agricultural assessment of ₹ 2.93 million on lands allotted to AMNEPL for the power project before the Sub-Divisional Officer, Nagpur. The Sub-

Divisional Officer, Hingna (“S.D.O. Hingna”) by order dated August 18, 2010, (“Order”) confirmed the order dated November 16 2009, modifying it to the extent that the penalty imposed on illegal non agricultural reuse (regarding bonafide industrial use) should be 20 times of non agricultural assessment, and hence AMNEPL’s liability would be ₹ 2.06 million. AMNEPL has filed a review application (review application no. I/NAP-36/2010-11) under section 258 of the Land Revenue Code before the Sub-Divisional Officer, Nagpur against the Order. The application has been filed on the grounds, *inter alia*, that the S.D.O. Hingna had erred in its Order as it has relied on the report submitted by the Tahsildar, Hingna (which it should not have relied on) and has also ignored the benefit available to applicant under Section 44(A) of the Land Revenue Code regarding no prior permission required for land which has been put to *bona fide* industrial use. The matter is currently pending before Sub-Divisional Officer, Nagpur.

- e) MADC has alleged that the Order, as defined in 1 (d) above, was passed only against MADC, and imposed a penalty of ₹ 0.88 million on MADC under section 45 of the Land Revenue Code. Hence it has filed a review application (Revenue appeal No. 3/N.A.P.36/10-11) before the Sub-Divisional Officer, Nagpur, where AMNEPL is one of the respondents. MADC has filed the review application on the grounds, amongst others, that the S.D.O. Hingna in its Order, as defined in 1 (d), without any sufficient reason has deleted the name of AMENPL from the said Order. . MADC has prayed that the Order be called for review by the Sub-Divisional Officer, Nagpur. MADC has also filed for an application seeking an ad-interim ex-parte stay against the Order. The review application and the stay application are pending before the Sub-Divisional Officer, Nagpur.

4. *Environmental Cases*

The Regional officer of the Maharashtra Pollution Control Board, Nagpur (“MPCB”) has issued a show cause notice (No. MPC/NRO/493/2011), dated February 7, 2011 (“Notice”) to AMNEPL, on the basis of an inspection on January 20, 2011 by MPCB officials of power plant units of AMNEPL located at Khairi (Khurd), Hingna, pursuant to telephonic complaint, regarding disposal of fly ash, by Mr. Rajendra Tarachandji Fulsunge (the “Complainant”). The Notice has been issued based on the observation made during the inspection that:

- (i) The units were being operated without adequate arrangement for disposal of fly ash;
- (ii) Non completion of ash dyke (i.e. pipeline for carrying out wet ash by high concentrate slurry system, lying of HDPE seet, leachate collection tank, shed for coal storage area, fixed water sprinkling arrangement for suppression of dust, sewage treatment plant and adequate plantation.)

The Notice requires AMNEPL, in light of the above observations, to show cause as to why legal action including directions for closure should not be taken against AMNEPL under provisions of Air (Prevention and control of Pollution) Act 1947 and Water (Prevention and control of Pollution), Act 1974 for operating the units without pollution control systems and consequently causing damage to the environment in the nearby area and public health in general. AMNEPL filed a reply on February 17, 2011 stating that it had obtained consent to operate for a 2 x 61.5 MW power plant, and had commissioned adequate pollution control systems at its plant premises. AMNEPL has filed another reply with the MPCB on April 20, 2011, on account of an affidavit filed by the Complainant, dated March 9, 2011 before the Judicial Magistrate, Bhandara, Nagpur, stating that allegations dumping fly ash in the Complainant’s land are baseless and false, and requesting that the Complainant’s complaint be dismissed. The matter is pending before the MPCB.

B. JIPL

Nil

C. CPL

Cases filed by CPL

Nil

Cases filed against CPL

4. Civil cases

- a) Jay Nandan Oraon and others, the plaintiffs, have filed a title suit (title suit no. 15 of 2009) against the General Manager, CPL and others (the “defendants”) before the Court of Sub-Judge-I, Latehar. The suit relates to lands of cadestar survey khata no. 49 of village Chakla, P.S. Chandwa, district Latehar measuring 15.5 acres (the “suit land”). The plaintiffs have sought *inter alia*, a declaration of the title and possession of the suit land and award of permanent injunction against defendants from interfering with the plaintiffs enjoyment of the suit land and from alienating the suit land. CPL has filed a written statement disputing the claim of the plaintiffs contending, *inter alia*, that the suit land belongs to CPL and it is the lawful owner thereof. The matter is currently pending before the Court of Sub-Judge-I, Latehar.
- b) Tahira Khatun, the plaintiff, has filed a partition suit (partition suit no. 7 of 2009) against the General Manager, CPL and others before the Court of Sub- Judge I, Latehar. The plaintiff has claimed that she has 1/9th share in the land measuring 5.70 acres (the “suit land”), which was transferred to CPL by other defendants. The plaintiff has claimed that the said transfer is illegal and void as the defendants did not take her prior consent before the transfer. The plaintiff has prayed for a preliminary and final decree for her share in the suit land. CPL has filed a written statement disputing the claim of the plaintiff on various grounds, including that the suit land was purchased by Corporate Ispat in 2008. The plaintiff has filed an injunction petition dated June 21, 2010 restraining CPL from interfering with the possession of the plaintiff and carrying out construction activities on the suit land and the Court of Sub- Judge I, Latehar by an order dated July 17, 2010, has rejected the same. Further, CPL has filed an application before the Court of Sub-Judge I, Latehar on the grounds that Corporate Ispat ought to have been a party instead of CPL, and has hence has sought that the suit be dismissed, or that the plaint be returned to the plaintiff. The aforesaid application of CPL and the partition suit are currently pending before the Court of Sub-Judge I, Latehar.

4.2 Labour cases

The Labour Enforcement Officer (Chandwa) (“Labour Officer”) has, by letter dated February 25, 2011 issued to CPL, sought payment of cess @ 1% of the total estimated contract value by March 15, 2011, under the Building and Other Construction Workers’ Welfare Cess Act, 1996 and directed CPL to present the required books and registers for inspection under the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. CPL by its letter dated March 17, 2011 has contended that the said acts were not applicable to it and they are not liable to pay cess or maintain any statutory registers. The Labour Officer by letter dated May 2, 2011 has refuted the contention of CPL. CPL by letter dated May 24, 2011, has sought extension of time till June 15, 2011 to comply with requirements regarding the maintenance of required books and registers and payment of cess. Further, by a letter dated June 13, 2011, addressed to the Labour Enforcement Officer, Latehar, Jharkhand, CPL relying on a legal opinion has stated that it is not liable to pay the cess demanded under the Building and Other Construction Workers’ Welfare Cess Act, 1996 and the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The matter is currently pending before the Labour Officer.

5. Entry Tax

The State of Jharkhand has filed a special leave petition (“SLP”) (SLP Nos. 31304-31357 of 2008) against 54 parties including CPL (together the respondents) before the Supreme Court of India against the order of the High Court of Jharkhand dated June 13, 2008 (the “Order”), by which section 11 of the Jharkhand Value Added Tax Act, 2005 and the amendment made therein by the Jharkhand VAT (Amendment) Act, 2007 were held to be *ultra vires* and unconstitutional, as being in violation of Article 301 of the Constitution of India and not being saved by Article 304 of the Constitution of India. The Supreme Court of India on January 12, 2009 has directed that the matter be listed after the disposal of Civil Appeal No. 3453 of 2002 and connected cases which have been referred to a larger bench. The matter is currently pending before the Supreme Court of India.

D. Mahuagarhi Coal Company Private Limited

Nil

V. Litigations involving our Promoters and Group Companies

Other than the Income Tax search and survey proceedings, the details of outstanding litigations involving our Promoters and Group Companies are as below:

A. Litigations involving Promoters

1. Litigation involving Manoj Jayaswal

a) Our Promoter, Manoj Jayaswal, and our Director Abhijeet Jayaswal, along with Sonal Jayaswal and Manisha Jayaswal (collectively, the petitioners) have filed a petition (petition no. 111-397.398 CB/MB/2009) against the following respondents:

- (a) AMR Iron and Steel Private Limited (AMR);
- (b) Basant Lall Shaw;
- (c) Arbind Kumar Jayaswal;
- (d) Ramesh Kumar Jayaswal;
- (e) Nisha Arbind Kumar Jayaswal;
- (f) Rita Ramesh Kumar Jayaswal;
- (g) Anand Arbind Kumar Jayaswal;
- (h) Neco Holdings Private Limited;
- (i) Neco Leasing and Finance Private Limited;
- (j) Nagpur Scrap Suppliers Private Limited;
- (k) Neco Trading Private Limited; and
- (l) Jayaswal Holdings Private Limited

under sections 397-398 of the Companies Act before the Company Law Board (Regional bench) at Mumbai. The petitioners have alleged oppression and mismanagement in the affairs of AMR, and sought reliefs including a declaration that the acts of the respondents complained of by the petitioners are oppressive in nature which adversely affects the rights of the petitioners, and the notices for a proposed board meeting are illegal. The petitioners have further prayed for exercise of powers of the Companies Act to appoint an administrator and/or an independent committee of management with all powers to manage the affairs and conduct the business of AMR. The petitioners have obtained certain interim reliefs by orders dated September 11, 2009 and September 17, 2009. The matter is currently pending before the Company Law Board (Regional Bench) at Mumbai.

Further, the Company Law Board (“CLB”) has passed an interim order dated July 23, 2010, dismissing an application made by the respondents to refer the matter to arbitration, in terms of the

Family Settlement Agreement. Against this interim order, an appeal (appeal no. 42 of 2010) has been filed by Basant Lall Shaw and others (appellants) against Manoj Jayaswal and others (respondents) before the Bombay High Court under section 10F of the Companies Act, challenging the interim order, and seeking that the order of the CLB dated July 23, 2010 be quashed and proceedings in the aforesaid petition be stayed until the disposal of the appeal. The appeal is currently pending before the Nagpur Bench of Bombay High Court.

- b) Our Promoter Manoj Jayaswal (“the plaintiff”), has filed a suit (special civil suit no. 584 of 2011) against Basant Lall Shaw, Arbind Kumar Jayaswal and Ramesh Kumar Jayaswal (collectively the defendants) before the Court of Senior 3rd Civil Judge, Senior Division, and Nagpur. The plaintiff has alleged that it was forced to make payments aggregating to ₹ 308.20 million from August 2010 till March 2011 to certain banks, in relation to loans taken for a strip mill belonging to Corporate Ispat, on account of the omission by the defendants to pay such monthly instalments. The plaintiff has stated that the omission to pay monthly instalments by the defendants is a breach of the Indenture, according to which all payments relating to interest and principal in relation to the said strip mill were to be paid by the defendants, and that plaintiff was forced to make such payments on account of certain personal guarantees furnished by it in relation to such loans, which would have been invoked in the event of non payment of monthly instalments. The plaintiff has further alleged that the defendants have disregarded the directions of the escrow agent appointed in terms of the indenture, which directed respondents to reimburse the amount of ₹ 308.20 million to the defendants along with an interest at the rate of 18%. The Plaintiff has prayed that the court pass a declaration that non-payment of instalments by the defendants is a breach of the Indenture and pass mandatory permanent injunction directing the defendants to reimburse the amount along with interest as per directions of the escrow agent and commence regular payments towards the loan from April 2011. The defendants have filed an application before the 3rd Joint Civil Judge, Senior Division, Nagpur seeking dismissal of the present suit on the grounds that an arbitral proceeding on the same issue has already commenced as per the terms of the Indenture. The Plaintiff filed a reply dated May 12, 2011 to this application stating that it seeks the enforcement of the directions of the escrow agent, which cannot be enforced through arbitration. The matter and the aforesaid application are currently pending before 3rd Joint Civil Judge, Senior Division, Nagpur.
- c) Arbind Jayaswal, amongst others (the applicants) have filed a civil application (misc. civil application No. 325 of 2011) under section 11 of the Arbitration and Conciliation Act, 1996 against our Promoter, Manoj Jayaswal, and our Directors Abhishek Jayaswal, Abhijeet Jayaswal, along with Sonal Jayaswal, Swati Jayaswal and Manisha Jayaswal (collectively, the “respondents”) before the High Court of Bombay, Nagpur Bench. The applicants have alleged that the respondents have failed to comply with some of the obligations which were agreed in the Indenture. The applicants have further alleged that the respondents have not given the consent for the appointment of an arbitrator to resolve the dispute arising of the Indenture which is contrary to terms of the Indenture and have prayed for the appointment of a sole arbitrator. The matter is currently pending before High Court of Bombay, Nagpur Bench.
- d) Corporate Ispat, along with its directors Manoj Jayaswal and Abhishek Jayaswal has made two separate compounding applications before the Regional Director, Western Region, under Section 621A of the Companies Act. For further details, please see “Outstanding Litigation and Material Developments” on page 426.
- e) Abhijeet Infrastructure Limited, along with its directors Abhishek Jayaswal, Manoj Jayaswal, Abhijeet Jayaswal and P.N. Krishnan has made a compounding application, dated December 8, 2010, before the Regional Director, Western Region under section 621A of the Companies Act. For further details, please see “Outstanding Litigation and Material Developments” on page 426.
- f) Manoj Jayaswal has been served with a summons under section 131 of the IT Act to appear before the Deputy Director of Income Tax (Inv.), Unit VI (3), New Delhi on April 19, 2011 and provide documentary evidence of source of expenditure for purchase of certain articles found from the

premises of a Mr. J.R. Maloo at New Delhi in pursuance of search and seizure proceedings being conducted on January 18, 2011. Manoj Jayaswal has submitted a reply to this by his letter dated May 23, 2011 in this regard primarily stating that the bills found related to the purchase of certain articles from income of ₹ 82.70 million for the financial year 2010-11 which had already been informed to the income tax authorities by his letter dated May 16, 2011. For details in relation to this letter see “Income tax search and survey proceedings” on page 426 above.

2. AML

Nil

3. Corporate Ispat

Cases filed by Corporate Ispat

Nil

Cases filed against Corporate Ispat

3.1 Civil cases

One civil suit is pending against Corporate Ispat before the Civil Judge Senior Division, Chandigarh, filed by Modern Steels Limited in relation to non-delivery of certain goods by Corporate Ispat, for which it had provided a letter of credit for an amount of ₹ 1.98 million. Modern Steels Limited has sought, *inter alia*, a permanent and prohibitory injunction against Corporate Ispat from acting on the letter of credit and also sought an order restraining Corporate Ispat from encashing the letter of credit.

3.2 Central Excise

Six excise duty cases are pending against Corporate Ispat, before the Commissioner of Central Excise (Appeals-IV) (Kolkata), the Assistant Commissioner (Durgapur Division-II) and the CESTAT (Kolkata). These cases have arisen from show-cause notices issued against Corporate Ispat alleging incorrect utilization of CENVAT/duty credit, clandestine manufacture and surreptitious removal of excisable goods and demanding payment of excise duty on waste material arising in the course of manufacture. The aggregate liability of Corporate Ispat in these six cases towards duty and penalty is estimated at ₹ 11.55 million and a refund claim of ₹ 1.36 million.

In addition to the above, there are 3 excise cases where orders have been passed against Corporate Ispat, involving imposition of duty liability of ₹ 13.22 million, interest of ₹ 1.92million and penalty of ₹ 1.36 million, imposition duty liability of ₹ 12.16 and imposition of confiscation of manganese ore aggregating to ₹ 303.88 million and imposition of an amount of 0.12 million including interest and penalty. These orders are within the statutory limitation period, and Corporate Ispat intends to file appeals in due course.

3.3 Customs duty

One customs duty case is pending against Corporate Ispat, relating to imposition of customs duty, before CESTAT, Kolkata. This case relates to imposition of higher valuation for manganese ore imported by Corporate Ispat for assessment of customs duty. The aggregate liability of Corporate Ispat in this case is estimated at ₹ 12.10 million

3.4 Sales Tax and VAT

Nine cases are pending against Corporate Ispat, relating to sales tax and VAT, before the Commercial Tax Officer (Durgapur Circle), Senior Joint Commissioner of Commercial Taxes (Durgapur Circle) and the Joint Commissioner (Durgapur Circle). Eight of these cases relate to appeals filed by Corporate Ispat before Senior Joint Commissioner of Commercial Tax (Durgapur Circle) in relation to orders passed against it imposing additional tax liability and for rejection of claims for refund of excess tax paid by it. The imposition of additional tax liability has been on account of disallowance of claims of stock transfer and export claims, alleged non payment of VAT and assessment being conducted on a best judgment basis, by rejecting books of accounts. Further, one case relates to a notice issued by Joint Commissioner, Durgapur Circle to Corporate Ispat for verification of purchases and sales relating to input tax credit availed by Corporate Ispat. The aggregate liability on Corporate Ispat in these nine cases is estimated at ₹ 151.44 million while the amount for which refund has been claimed is ₹ 18.52 million.

3.5 Compounding

Corporate Ispat, along with its directors Manoj Jayaswal and Abhishek Jayaswal and others (together the “applicants”), has made two separate compounding applications before the Regional Director, Western Region, under Section 621A of the Companies Act. One compounding application is in relation to certain advances made by Corporate Ispat to AMR Iron and Steel Private Limited during financial years 2006-2007, 2007-2008 and 2008-2009 and a corporate guarantee issued by Corporate Ispat to UCO bank on behalf of MCCPL, which is alleged to be non-compliant with section 295 of the Companies Act. The applicants have submitted that they believed that the same did not attract the provisions of section 295 of the Companies Act and have prayed that the same be compounded from the financial year beginning April 1, 2006 until July 5, 2010. The second compounding application is in relation to certain contracts for sale and purchase of goods entered by Corporate Ispat with AMR Iron and Steel during the fiscal years 2006-2007, 2007-2008 and 2008-2009. The applicants have prayed that it had *bona-fide* grounds to believe that the said act did not attract provisions of Section 297(1) of the Companies Act and the same were exempt under section 297 (2)(a), and sought compounding for the financial years, 2006-2007, 2007-2008 and 2008-2009.

3.6 Show cause notices

The Ministry of Coal, Government of India has issued a show cause notice (no. 47011/1(18)/2000-CPAM/CA-I) dated September 30, 2010 to Corporate Ispat calling upon it to show cause as to why delay in the development of the Chitarpur coal block should not be held as a violation of the terms and conditions of the allotment of the same to Corporate Ispat, failing which appropriate steps would be taken for deallocation of the Chitrapur coal block. Corporate Ispat submitted a reply to the notice dated October 26, 2010.

B. Litigations involving our Group Companies

1. Abhijeet Natural Resources Private Limited (“ANRPL”)

Cases filed by ANRPL

Nil

Cases filed against ANRPL

One writ petition is pending against ANRPL (among others) before the High Court of Madhya Pradesh, filed by the Parishram Samaj Kalyan. This writ petition has challenged the legality and constitutionality of a government notification issued and an order passed by the Department of Mining and Mineral Resources of the Madhya Pradesh Government, which resulted in ANRPL being awarded prospecting license over 87

hectares of forest land.

2. *Jas Toll Road Company Limited (“JTRCL”)*

Cases filed by JTRCL

2.1 *Criminal cases*

Two cases relating to dishonor of cheques have been filed against Morrison Media, Bangalore by JTRCL before the Judicial Magistrate First Class at Nelamangala, Bangalore for an amount aggregating to ₹ 0.34 million.

2.2 *Civil suits*

One civil suit has been filed by JTRCL against Deepa Service Station for recovery of security deposit is pending before the Civil Judge (Junior Division) at Nelamangla, Bangalore. The claim made by JTRCL under this case is for ₹ 0.02 million.

Cases filed against JTRCL

2.3 *Labour cases*

Five labour cases are pending against JTRCL before (i) the Labour Enforcement Officer (Central), (ii) Additional Industrial Tribunal at Bangalore (iii) Assistant Labour Commissioner at Bangalore, (iv) First Additional Labour Court at Bangalore, and (v) the Labour Officer, Labour Department, Bangalore. Four of these cases are under the Industrial Disputes Act, 1947 and the remedy sought for three of these cases is reinstatement and other labour benefits, while one case pertains to a wage settlement. Further, one show cause notice has been issued to JTRCL under the Contract Labour (Regulation and Abolition) Act, 1970.

2.4 *Income Tax*

One income tax case is pending against JTRCL before the Income Tax Appellate Tribunal, Nagpur Bench, being an appeal filed by the Assistant Commissioner of Income Tax, Circle -7, Nagpur. This appeal has been filed against an order which allowed JTRCL a deduction of ₹ 0.34 million for assessment year 2007-2008, which liability had been imposed on JTRCL on account of interest levied on late payment and deferment of advance tax.

2.5 *Civil Suits*

One civil suit is pending against JTRCL before the Court of City Civil Judge, Bangalore filed by STP Limited for recovery of an amount of ₹ 0.26 million from JTRCL for allegedly not supplying declaration form for exemption from sales tax.

3. *Abhijeet Infrastructure Limited (“AIL”)*

Cases filed by AIL

3.1 *Civil Cases*

One special leave petition has been filed by AIL before the Supreme Court of India seeking grant of special leave to appeal against the judgement and final order of the High Court of Jharkhand dated April 4, 2007 (“Order”), which Order had dismissed the writ petition of AIL filed before the High Court of Jharkhand. The writ petition had been filed against the decision of the Government of Jharkhand to withdraw the grant of mining lease given to AIL for mining of iron ore for captive consumption and reserving the right to exploit the same only by public sector.

Cases filed against AIL

3.2 Labour cases

Three labour cases are pending against AIL before the Presiding Officer, Additional Labour Court at Bangalore under the Industrial Disputes Act, 1947. The cases have been filed alleging retrenchment by AIL and seeking reinstatement and award of other related benefits.

3.3 Central Excise

Two excise duty cases are pending against AIL, before Commissioner of Central Excise (Appeals), Kolkata. These cases have arisen due to orders passed against AIL alleging wrongful adjustment of excess service tax paid and rejection of refund claim for service tax. The liability of AIL is estimated at ₹ 0.72 million million (including estimated interest and penalty) while the refund claim is ₹ 0.47 million.

3.4 Income Tax

One income tax case is pending against AIL, being an appeal filed by AIL before the Commissioner of Income Tax (Appeals), Nagpur against imposition of interest liability of ₹ 37.67 million on AIL under section 234 B and 234 C of the IT Act by the Assistant Commissioner of Income Tax, Nagpur. This appeal has been filed on the ground that there cannot be a levy of interest on AIL, since there is no advance tax liability on it.

3.5 Compounding

AIL, along with its directors Abhishek Jayaswal, Manoj Jayaswal, Abhijeet Jayaswal and P.N. Krishnan (together the “applicants”) has made a compounding application, dated December 8, 2010, before the Regional Director, Western Region under section 621A of the Companies Act. The compounding application has been made in relation certain advances made to AMR Iron and Steel Private Limited for certain purchases during financial year 2007-2008 and 2008-2009 and a corporate guarantee provided to Infrastructure Development Finance Company Limited on behalf of Jayaswals Ashoka Infrastructure Limited, which is alleged to be non-compliant with section 295 of the Companies Act. The applicants have submitted that they believed that the same did not attract provision of Section 295 of the Companies Act and have prayed the same be compounded be from March 1, 2006 until December 8, 2010.

3.6 Customs duty

AIL was served summons dated April 26, 2011 from the Commissioner of Customs (General), Central Intelligence Unit, Mumbai (“CIU”) directing Abhishek Jayaswal, being a director of AIL, to remain present before CIU on May 2, 2011 in relation to an enquiry on import of a car. AIL submitted its reply by its letter dated May 2, 2011 requesting CIU to drop the proceedings and requesting exemption from personal appearance. Subsequently CIU issued a seizure memo dated May 4, 2011 directing seizure of the said car imported by AIL, on the ground that AIL had violated the policy provisions of licensing note no. (2)(II)(C) under chapter 87 of the Customs Tariff. CIU has allowed provisional release of the car on May 12, 2011, on execution of Bond for ₹ 2.71 million and cash deposit of ₹ 1.2 million, paid under protest.

4. *Jayaswals Ashoka Infrastructure Private Limited (“JA IPL”)*

Cases filed by JA IPL

Nil

Cases filed against JA IPL

- a. One civil case is pending against JA IPL before the Bombay High Court, Nagpur Bench, being an appeal preferred by JA IPL against United India Assurance Company Limited (the respondent) seeking an insurance claim of ₹ 21.25 million. This appeal has been filed against an order of the District Judge (Nagpur) awarding a sum of ₹ 17.07 million, in relation to a “contractors all risk” policy obtained from the respondent by JA IPL.
- b. One writ petition has been filed by JA IPL before the Bombay High Court, Nagpur Bench, against Joint District Registrar (Class 1), the Collector of Stamps, Bhandara and the Chief Controlling Revenue Authority, Pune, Maharashtra. This appeal has been filed against a demand of additional stamp duty of ₹ 78.48 million on account of under-stamping of a concession agreement entered between JA IPL and State of Maharashtra for construction of a bridge.

5. *Abhijeet Projects Limited (“APRL”)*

Cases filed against APRL

1. Two cases have been filed against APRL before the Motor Accidents Claim Tribunal, Nagpur, seeking compensation for the death of one person and injuries caused to another due to rash and negligent driving by a driver of a vehicle belonging to APRL. The aggregate liability of APRL under these cases is ₹ 3.72 million.
2. APRL is involved in certain outstanding SEBI proceedings. For further details, see “SEBI Proceedings involving Group Companies” below.

In addition to the above, APRL has submitted a reply to a legal notice served on Abhishek Jayaswal, our Managing Director. For details, see “Litigations involving our Directors - Litigation involving Abhishek Jayaswal - Potential litigation involving Abhishek Jayaswal” on page 440 below.

6. *Abhijeet Cement Limited (“ACL”)*

Cases involving ACL

- a. One writ petition is pending against ACL before the High Court of Madhya Pradesh, filed by Mangalam Cements Limited challenging orders issued by the Government of Madhya Pradesh relating to allotment of three mining leases to ACL for a total area of 646.888 hectares in respect of certain limestone mines.
- b. SEBI has passed a consent order dated March 25, 2011 on an application made by ACL, pertaining to certain SEBI proceedings. For further details, please see “SEBI Proceedings involving Group Companies” below.

7. *SEBI Proceedings involving Group Companies*

7.1 *ACL (earlier known as Sabera Tradelink Private Limited)*

ACL had received a show cause notice (A&E/SVIL/DRK/SS/162606/2009) dated May 7, 2009 from SEBI in relation to the alleged offences committed by ACL amongst others, creating

artificial volumes and manipulating the price of the script, in its dealings in the securities of Silicon Valley Infotech Limited on the Calcutta Stock Exchange Association Limited. ACL had submitted its reply to the notice. Further, ACL filed an application dated August 20, 2009 for a consent order in terms of SEBI Circular No. EFD/ED/Cir-I/2007 dated April 20, 2007. SEBI has, on payment of ₹ 0.5 million by ACL, passed a consent order in the matter dated March 25, 2011.

7.2 *APRL and Indo Invest Vision Limited (“IIVL”):*

- a. By an order dated September 6, 2005 passed by SEBI, APRL (then known as Aminex Projects Private Limited) and IIVL were prohibited from buying, selling and dealing in securities and accessing the capital markets until January 14, 2007. The said order was passed on account of SEBI’s finding on the involvement of APRL and IIVL in recirculation of certain preferential allotment funds from the company to the preferential allottees through layers of related entities, in the matter concerning irregularities in the preferential allotment and misleading information being furnished to the investors, which resulted in fraud on existing shareholders and violation of various SEBI regulations by Aastha Broadcasting Network Limited.
- b. SEBI has filed a civil suit (no. 2620 of 2006) against certain persons and entities, including APRL and IIVL, in relation to preferential allotment of shares in Aastha Broadcasting Network Limited before the Bombay High Court and praying for a declaration by the court that the preferential issue was bad in law and liable to be set aside and cancel the allotment. The civil suit is currently pending.

7.3 *Mudrika Projects Limited*

Mudrika Projects Limited (“MPL”) was served with a summons dated May 21, 2010 by SEBI seeking certain information in relation to SEBI’s investigations in the matter of GHCL Limited. MPL has replied to the same by its letter dated June 29, 2010.

III. Litigations involving our Directors

Manoj Jayaswal, Abhishek Jayaswal and Abhijeet Jayaswal, directors of our Company, have been subjected to search and seizure and survey operations under the Income Tax Act. For details, see “Income tax search and survey proceedings” above.

1. Litigation involving Manoj Jayaswal

For details of litigation involving Manoj Jayaswal, please see “Litigation involving our Promoters and Group Companies – Litigation involving our Promoters – Litigation involving Manoj Jayaswal” on page 432.

2. Litigation involving Abhishek Jayaswal

- a. Corporate Ispat, along with its directors Manoj Jayaswal and Abhishek Jayaswal (together the “applicants”), has made two separate compounding applications before the Regional Director, Western Region, under Section 621A of the Companies Act. For further details, please see “Litigation involving our Promoters and Group Companies – Corporate Ispat – Compounding” on page 432.
- b. Abhijeet Infrastructure Limited, along with its directors Abhishek Jayaswal, Manoj Jayaswal, Abhijeet Jayaswal and P.N. Krishnan (together the “applicants”) has made a compounding application, dated December 8, 2010, before the Regional Director, Western Region under section 621A of the Companies Act. For further details, please see “Litigation involving our Promoters and Group Companies – Litigation involving our Group Companies – Abhijeet Infrastructure Limited - Compounding” on page 432.

- c. Arbind Jayaswal, amongst others, has filed a civil application against Manoj Jayaswal, Abhishek Jayaswal, Abhijeet Jayaswal, Sonal Jayaswal, Swati Jayaswal and Manisha Jayaswal before the High Court of Bombay, Nagpur Bench. For further details of litigation involving Abhishek Jayaswal please see “Litigation involving our Promoters and Group Companies – Litigation involving our Promoters – Litigation involving Manoj Jayaswal” on page 432.

Potential litigation involving Abhishek Jayaswal

Abhishek Jayaswal has been served with a legal notice on behalf of Harbin Power Engineering Co. Ltd. (“Harbin”) (through Ms. Zhao Wenjia) alleging inter alia breach of contract, criminal breach of trust, cheating and misrepresentation. This notice alleges that while the Abhijeet group had entered into a tacit agreement with the said Harbin Power Engineering Co. Ltd. for equipment relating to 5 units of 660 MW each, it awarded the contract to Dongfang, a competitor. APRL has replied to the said notice, denying the allegations and seeking confirmation of Ms. Zhao Wenjia’s authority to represent Harbin Power Engineering Co. Ltd., to which it has received a response on May 6, 2011 through which Ms. Zhao Wenjia has represented herself as the promotion partner of Harbin and further stated that she is duly authorized to represent Harbin. APRL has replied to the notice dated May 6, 2011 on June 28, 2011 expressing further doubts about the authority of Ms. Zhao Wenjia and non satisfaction in relation to reply dated May 6, 2011. APRL has further denied allegations of existence of any implied contract between APRL and Harbin.

3. Litigation involving Abhijeet Jayaswal

- a. Abhijeet Jayaswal and Manoj Jayaswal, along with others have filed a petition under section 397-398 of the Companies Act. For further details, please see “Litigation involving our Promoters and Group Companies –Litigation involving our Promoters – Litigation involving Manoj Jayaswal” on page 432.
- b. Abhijeet Infrastructure Limited, along with its directors Abhishek Jayaswal, Manoj Jayaswal, Abhijeet Jayaswal and P.N. Krishnan (together the “applicants”) has made a compounding application, dated December 8, 2010, before the Regional Director, Western Region under section 621A of the Companies Act. For further details, please see “Litigation involving our Promoters and Group Companies – Litigation involving our Group Companies – Abhijeet Infrastructure Limited - Compounding” on page 432.
- c. Arbind Jayaswal, amongst others, has filed a civil application against Manoj Jayaswal, Abhishek Jayaswal, Abhijeet Jayaswal, Sonal Jayaswal, Swati Jayaswal and Manisha Jayaswal before the High Court of Bombay, Nagpur Bench. For further details of litigation involving Abhishek Jayaswal please see “Litigation involving our Promoters and Group Companies – Litigation involving our Promoters – Litigation involving Manoj Jayaswal” on page 432.

IV. Penalties on our Company, our Subsidiaries, Joint Ventures, Promoters and Group Companies

Company	Year	Amount (in ₹ million)	Particulars	Authority to whom penalty paid
JA IPL	2000-2001	0.023	Late payment of sales tax	Deputy. Commissioner of Sales Tax, Vikrikar Bhavan, Civil Lines, Nagpur - 440006
AIL	2009-2010	0.10	Late filing of VAT audit report	Dy. Commissioner of Sales Tax, Vikrikar Bhavan, Civil Lines, Nagpur - 440006
Corporate Ispat	2004-2005	0.71	Paid to West Bengal Pollution Control board & Excise Department	West Bengal Pollution Control Board (Air)

Company	Year	Amount (in ₹ million)	Particulars	Authority to whom penalty paid
Corporate Ispat	2008-2009	0.003	Paid to Central Excise as penalty against handling charges	Central Excise
Corporate Ispat	2010-2011	0.12	Paid under protest against show cause notice received in truck detention case.	Senior Joint Commissioner, Durgapur range City centre, Durgapur
Corporate Ispat	2011-2012	0.02	Service tax delayed payment for assessment year 2009-2010	Excise Department
CPL	2006-2007	0.001	Paid under the Jharkhand VAT Rules, 2006	Deputy commissioner of Commercial Taxes, West Circle – Ranchi, Jharkhand
CPL	2007-2008	0.002	Paid under the Jharkhand VAT Rules, 2006	Deputy Commissioner of Commercial Taxes, West Circle
CPL	2008-2009	0.0001	Paid under the Jharkhand VAT Rules, 2006	Deputy Commissioner of Commercial Taxes, West Circle – Ranchi, Jharkhand
AINL	2008-2009	0.004		Deputy Commissioner of Commercial Taxes, West Circle – Ranchi, Jharkhand

V. Amounts owed to small scale undertakings or other creditors

There are no amounts owed by our Company to small scale undertakings or any other creditors exceeding ₹ 0.1 million, for over 30 days, except in the ordinary course of business.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

A. Approvals in relation to the Issue

1. Our Board of Directors have, pursuant to resolution passed at its meeting held on November 3, 2010 authorised the Issue, subject to the approval by the shareholders of the Company under section 81(1A) of the Companies Act.
2. Our shareholders have, pursuant to a resolution passed at the EGM held on November 25, 2010 authorised the Issue, under section 81(1A) of the Companies Act.
3. In - principle approval from NSE dated [●].
4. In - principle approval from BSE dated [●].
5. The Company proposes to make an application to the FIPB for obtaining approval for non-residents including FIIs, NRIs, FVCIs, multilateral and bilateral development financial institutions and other eligible foreign investors to participate in the Issue subject to any condition that may be prescribed by FIPB in this regard.

B. Approvals in relation to incorporation and to carry on business

I. Our Company

1. Certificate of Incorporation dated July 16, 2002 issued by the Registrar of Companies, Mumbai.
2. Fresh certificate of incorporation consequent upon change of name on conversion to a public limited company dated October 27, 2010 issued by the Registrar of Companies, West Bengal.
3. Fresh certificate of incorporation consequent upon change of name to Abhijeet Power Limited dated November 3, 2010 issued by the Registrar of Companies, West Bengal.
4. The permanent account number of our Company is AAECA7010M.
5. The tax deduction account number of our Company is NGPA05063C.
6. The Service tax registration of Our Company is AAECA 7010MSD001.
7. The professional tax employer certificate number of our Company 99381738343P.

II. AMNEPL

1. Certificate of Incorporation dated July 12, 2007 issued by the Registrar of Companies, Mumbai.
2. The permanent account number of AMNEPL is AAGCA5519B.
3. The tax deduction account number of AMNEPL is NGPA04487A.
4. The central sales tax registration number of AMNEPL is 27110645083C which is effective from February 20, 2008.

5. The tax payers' identification number of AMNEPL is 27110645083V which is effective from February 20, 2008.
6. The service tax registration of AMNEPL is AAGCA5519BSD001.
7. The professional tax employer certificate number of AMNEPL is PT/E/4/6/27/18/1058.

III. JIPL

1. Certificate of incorporation dated July 16, 2002 issued by the Registrar of Companies, Mumbai as Jas Infrastructure Capital Private Limited. Fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated October 22, 2010 and fresh certificate of incorporation consequent upon change of name dated October 23, 2010.
2. The permanent account number of JIPL is AABCJ2732Q.
3. The tax deduction account number of JIPL is NGPJ00887F.
4. The tax payers' identification number of JIPL is 10525467044 which is effective from May 21, 2010.
5. The professional tax employer certificate number of JIPL is 99131738335P.

IV. MCCPL

1. Certificate of Incorporation dated March 17, 2008 issued by the Registrar of Companies, Patna.
2. The permanent account number of MCCPL is AAFCM4620G.

V. CPL

1. Certificate of Incorporation dated May 11, 2006 to Chitrapur Coal and Power Limited issued by the Registrar of Companies, Mumbai.
2. Certification of commencement of business dated August 28, 2006 from the Registrar of Companies, Mumbai.
3. Fresh certificate of incorporation dated May 31, 2007 consequent upon change of name from Chitrapur Coal and Power Limited to Corporate Power Limited issued by the Registrar of Companies, Mumbai.
4. The permanent account number of CPL is AACCC8871C.
5. The tax deduction account number of CPL is NGPCJ03542A and RCHC00663F.
6. The central sales tax registration number of CPL is RN (W) 20150305380 (Central) which is effective from November 7, 2006.
7. The tax payers' identification number of CPL is 20150305380 which is effective from November 7, 2006.
8. The service tax registration of CPL is AACCC8871CST001.
9. The professional tax employer certificate number of CPL is 99871740741P.

C. Registration with the RBI

As per its audited balance sheet as at December 31, 2010, the Company is a systemically important core investment company, and is required to apply to the RBI for registration by July 4, 2011.

D. Project specific approvals

We are required to obtain certain approvals from the concerned Central / State Government departments and other authorities for setting up our projects and operating the same. These include:

- Approvals from various departments of the Government of India depending on the nature of the project. For example, approval from the Ministry of Coal relating to development of captive coal block, environmental approvals from the MoEF, and chimney height approvals from the Ministry of Civil Aviation;
- Approvals such as consents to establish and operate a project, environmental clearances and authorisations to draw water, from concerned departments or bodies of State Governments; and
- Any other approvals that may be required by local authorities or otherwise on a case to case basis.

Our Company applies for approvals, licenses and registrations at the appropriate stage of development of each project and the same may be granted by these authorities subject to compliance with the requirements of local laws.

Approvals in respect of which application has been made by our Company and is pending:

Sr. No.	Description	Authority	Date of Application
1.	Application made by our Company for the grant of inter-state power trading license under the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading license and other related matters) Regulations 2009 (ABH/APLTrading/License/CERC/2010-2011/01)	Central Electricity Regulatory Commission	November 12, 2010

I. Approvals and applications in relation to the MIHAN Power Project being developed by AMNEPL

Sr. No.	Name and description of License/ Approval	Details of License / Registration/ approval	Validity period		Granting/ certifying Authority	Salient Conditions
			Issued on/ valid from	Valid up to		
Approvals in relation to coal linkage						
1.	Letter dated February 26, 2010, enclosing minutes of the standing linkages committee held on January 29, 2010 whereby it authorised the issuance of letter of assurance by Coalfields India Limited for a capacity of 240 MW (4 x 60 MW). Western Coalfields, has by a letter dated April 29, 2010 requested MADC to furnish a commitment guarantee of ₹ 113.33 million in light of the requirement of grade ‘E’ of coal.	No. 23011/66/2008-CPD(Vol.III)	February 26, 2010	-	Ministry of Coal, GoI	-

Sr. No.	Name and description of License/ Approval	Details of License / Registration/ approval	Validity period		Granting/ certifying Authority	Salient Conditions
			Issued on/ valid from	Valid up to		
	The letter of assurance was originally issued in the name of MADC and MADC vide letter dated October 13, 2010 had requested the Ministry of Coal to transfer of letter of assurance from MADC to AMNEPL. Ministry of Coal vide letter dated June 15, 2011 has directed Coal India Limited to transfer the letter of assurance in the name of AMNEPL for the purpose of coal allocation.					
SEZ related approval						
2.	Letter granting AMNEPL the facilities and entitlements to establish a unit in the special economic zone for undertaking power generation of 25.6 MW, power transmission of 250 MW, power distribution of 250 MW and operation and maintenance of generation, transmission and distribution facilities of 250 MW.	SEEPZ/NEW SEZ/MADC-NGP/13/2009-10/9317	September 2, 2009	Valid for a period of five years from the date of commencement of production. The letter of approval is valid for a period of one year from its date of issue.	Office of the Development Commissioner, SEEPZ Special Economic Zone, Ministry of Commerce and Industry	i) AMNEPL has to undertake a bond-cum-legal undertaking as prescribed under the Special Economic Zone Rules, 2006. ii) AMNEPL is to have positive Net Foreign Exchange (NFE) as prescribed in the Special Economic Zone, Rules, 2006. iii) AMNEPL is to commence production within one year or within such period as may be extended.
3.	In-principle approval to AMNEPL for withdrawal as co-developer in the multi product SEZ being developed by MADC which was granted by letter no. F.2/31/2005-EPZ dated January 29, 2009.	No. F.2/31/2005-EPZ	November 13, 2009	-	Ministry of Commerce and Industry	Formal communication of cancellation will be issued after the receipt of certificate from Development Commissioner.
Approvals in relation to transmission						
4.	Grant of connectivity for the proposed 200 MW	Letter no. MSETCL/CO/CTU/302B	June 7, 2008	-	Maharashtra State	

Sr. No.	Name and description of License/ Approval	Details of License / Registration/ approval	Validity period		Granting/ certifying Authority	Salient Conditions
			Issued on/ valid from	Valid up to		
	<p>plant at Kairi (Khurd), Taluka Hingna, Nagpur by connecting to the 220 kV Wardha-Ambazari line.</p> <p>the Maharashtra State Electricity Transmission Board has, by its letter (No. MSETCL/CO/STU/302B/193) dated April 24, 2009 permitted the injection of 1 x 50 MW power on -kV Butibori – Wardha-I line. Though injection of 1 x 50 MW power was permitted only until the completion of the line in line out of 220 kV Wardha I. However, by letter dated June 14, 2011 The Maharashtra State Electricity Transmission Company has allowed AMNEPL retention of Butibori-Wardha-I line along with the Wardha-Ambazari Line.</p>	/251			Electricity Transmission Company Limited	
5.	<p>Load sanction order for the supply of 2,000 kW of power at the project at village Khairi Khurd, Taluka Hingna, Nagpur. Subsequently AMNEPL has entered into an agreement for start up power with the Maharashtra State Electricity Distribution Company (“agreement”) for supply of electricity up to 16,000 KVA.</p>	Reference no. SE/NRC/Tech/5832 for Main Power Plant Area	Load sanction order was issued on August 26, 2008 and the agreement is dated September 21, 2010	Load sanction order was valid for a period six months from the date of issue. The agreement is valid for a period of minimum two years from the date of commencement of supply.	Maharashtra State Electricity Distribution Company Limited	AMNEPL has to avail the supply within three months on intimation of readiness to supply power by the Maharashtra State Electricity Distribution Company Limited failing which AMNEPL shall be liable to pay the amount of minimum guarantee, as provided in the agreement.
6.	<p>Load sanction order of new power supply on 11 kV khapri feeder from 33 kV Khapri substation to unit at kh no. 22 and 23, Dahegaon, District Nagpur.</p> <p>AMNEPL has entered</p>	No. SE/NRC/Tech/no. 7117	September 26, 2008	The Load Sanction order is valid for six months from the date of issue The connection agreement	Maharashtra State Electricity Distribution Company Limited	(i) AMNEPL will have to complete the work against sanctioned estimate no.55 dated September 26, 2008 before

Sr. No.	Name and description of License/ Approval	Details of License / Registration/ approval	Validity period		Granting/ certifying Authority	Salient Conditions
			Issued on/ valid from	Valid up to		
	into a connection agreement, with Maharashtra State Electricity Transmission Company ("MSETCL") Limited, dated October 26, 2010 for interconnecting to transmission system of MSETCL on 33 KV line for 4x61.5 MW generation.			("the agreement") is valid until AMNEPL and MSETCL mutually terminate or modify the agreement.		release of supply. (ii) Only 75 kVA will be released in the first phase and total 200 kVA will be released only after augmentation of 2 MVA Power Transformer by 5 MVA. (iii) AMNEPL shall not exceed the sanctioned demand, without prior permission.
7.	Government of Maharashtra has conferred on AMNEPL, the powers of a telegraph authority under Section 164 of the Electricity Act, 2003 and Section 20 of the Indian Telegraph Act, 1885 for the construction of a dedicated 220 K.V.D.c transmission line from Khairi Khurd to MIHAN SEZ.	No. MIAHN 0210/CR 5/NRG-4	March 30, 2011	-	Government of Maharashtra	The construction and operation of the dedicated transmission line is subject to: (ii) Order No. 2 of the Electricity (Removal of Difficulty) Fifth Order, 2005; The norms of system operation and directions of the Maharashtra State Load Despatch Centre (iii) Government Resolution No. Misc-0210/CR-29/NRG-4, dated November 1, 2010 the Industries, Energy and Labour Department, Government of Maharashtra.
Approvals in relation to environmental matters						
8.	Environmental clearance to MADC for 2 x 50 MW	No. J-13011/13/2008-IA-II(T)	September 19,	Valid for a period of five	MoEF, GoI	In case of any alteration in the

Sr. No.	Name and description of License/ Approval	Details of License / Registration/ approval	Validity period		Granting/ certifying Authority	Salient Conditions
			Issued on/ valid from	Valid up to		
	(100 MW) captive power plant in Nagpur, Maharashtra. Pursuant to a letter (no. J-13011/13/2008-IA.II(T)) dated March 5, 2009, the MoEF has approved the change in capacity from 2 x 50 MW (100 MW) to 2 x 61.5 MW (123 MW) for the captive power plant at Kairi (Khurd), Taluka Hingna, Nagpur. Certain conditions stipulated by the MoEF were amended by a letter (No. J-13011/13/2008-IA-II(T)) dated September 3, 2009. By a letter (no. J-13011/13/2008-IA. II (T)) dated July 13, 2010 this clearance has been transferred to AMNEPL.		2008	years to start of production operations		project proposed from the details submitted to the MoEF, a fresh reference is required to be made to assess the adequacy of the conditions imposed.
9.	Environmental clearance for 2 x 61.5 MW (expansion units under phase II) of thermal power plant in MIHAN Area issued to MADC. Pursuant to a letter (no. EC (MADC)-2009/96/CR.21/TC.1) dated July 22, 2010, from the Government of Maharashtra this clearance has been transferred to AMNEPL.	Letter dated EC(MADC)-2009/96/CR.21/TC.1	March 20, 2010	Valid for a period of five years to start of production operations	The Environment Department, Government of Maharashtra	
10.	Consent to establish under section 25 of the Water Act, section 21 of the Air Act and authorization / renewal of authorization under rule 5 of the Hazardous Wastes (Management, Handling and Trans Boundary Movement) Rules, 2008 for a 4 x 61.5 MW (246 MW) thermal power plant at Kairi (Khurd), Taluka Hingna, Nagpur.	Consent no.BO/RO (P&P)/EIC No. NG-3380-10/E/CC-207	June 8, 2010	The consent to establish is granted for a period upto the commissioning of the project or five years, whichever is earlier	MPCB	AMNEPL is required to obtain consent to operate from MPCB before start of the actual commercial production
11.	Environmental clearance to MADC for 25.6 MW DG set. This clearance	EC(ABHIJEET)-2009/31/CR.124/TC.1	June 23, 2010	Valid for a period of five years to start	The Environment Department,	

Sr. No.	Name and description of License/ Approval	Details of License / Registration/ approval	Validity period		Granting/ certifying Authority	Salient Conditions
			Issued on/ valid from	Valid up to		
	has been amended and transferred to AMNEPL pursuant to a letter (EC(ABHIJEET)-2009/31/CR.124/TC.1) dated July 22, 2010.			of production operations	Government of Maharashtra	
12.	Consent to operate to AMNEPL under section 26 of the Water Act, section 21 of the Air Act and authorization / renewal of authorization under rule 5 of the Hazardous Wastes (Management, Handling and Trans Boundary Movement) Rules, 2008 for a coal based thermal power plant of capacity 2 x 61.5 MW	BO/RO (P&P)/EIC No. NG-3728-10/O/CC-10	January 10, 2011	June 30, 2013	MPCB	AMNEPL shall not operate the third and fourth unit of 61.5 MW each without a consent to operate from MPCB.
13.	Consent to operate to AMNEPL under section 26 of the Water Act, section 21 of the Air Act and authorization / renewal of authorization under rule 5 of the Hazardous Wastes (Management, Handling and Trans Boundary Movement) Rules, 2008 for DG set for 5 units of aggregate capacity of 8 MW (5 x 1.6 MW)	BO/RO (P&P)/EIC No. NG-4132-10/O/CC-21	January 27, 2011	December 31, 2015	MPCB	AMENPL shall obtain separate consent for remaining DG set i.e. (11 x 1.6 MW)
Approval in relation to water						
14.	Letter to MADC approving the agreement for supply of 26.16 mm ³ of water to the MIHAN Power Project.	No. 2491/Revenue/L.W.P./07	March 26, 2007	Six years from November 1, 2006	Office of the Executive Engineer, Minor Irrigation Department, Nagpur	
15.	Letter from MADC dated May 7, 2008, intimating AMNEPL that 16 MLD of water is earmarked for the MIHAN Power Project. By a letter dated December 3, 2009 (letter no. MADC/MIHA/044-13A/1838), the capacity of water supply was enhanced from 16 MLD	Letter no. MADC/MIHA/044-13A/198	May 7, 2008	Six years from November 1, 2006	MADC	

Sr. No.	Name and description of License/ Approval	Details of License / Registration/ approval	Validity period		Granting/ certifying Authority	Salient Conditions
			Issued on/ valid from	Valid up to		
	to 22.6 MLD.					
Blasting permission						
16.	Letter granting permission for blasting for the purpose of setting up (4 x50 MW) thermal power plant at Kairi (Khurd), Taluka Hingna, Nagpur.	Home/ Cabin/ 14(3)/ Blast NOC/ 15-08/ Off.- 385/09	July 29, 2009	July 28, 2010	The Collector, Nagpur	-
No objections issued by AAI						
17.	No objection certificate issued to AMNEPL for erection of chimney to height of 32.39 meters above ground level.	NP/AERO/NOC-24/2008/1914-15	December 8, 2008	Seven years from the date of issue	AAI	-
18.	No objection certificate issued to AMNEPL for the erection of chimney height of 90 meters above ground level for the purpose of the power plant.	NP/AERO/NOC/2009/16 63-66	April 6, 2009	Seven years from the date of issue	AAI	-
Factory related approvals						
19.	Certificate acknowledging submission of application for registration and grant of license for the year 2010 and 2011 and approving the plan for the factory under the Factories Act, 1948.	No. PLAN/MNG/SAK/48-2010/2034-43 and PLAN/MNG/SAK/163-2010/5481-90	November 24, 2010 and April 21, 2010	-	Deputy Director, Industrial Safety and Health, Nagpur.	AMNEPL shall obtain a Stability certificate in form 1-A shall be obtained as per Maharashtra Factories Rules, 1963.

Approvals in respect of which applications have been made and are pending:

Sr. No.	Description	Authority	Date of Application
1.	Application made by MADC, seeking consent to operate for 4 x 61.5 MW thermal power plant, pursuant to the consent to establish dated June 8, 2010. Consent to operate has been granted for 2 x 61.5 MW. For details please see "Approvals and applications in relation to the MIHAN Power Project being developed by AMNEPL - point 11" above.	MPCB	June 9, 2010
2.	Application made by MADC requesting Western Coalfields to issue the letter of assurance in the name of AMNEPL, a special purpose vehicle.	Under Secretary, Ministry of Coal	August 11, 2010
3.	Application made by MADC requesting the change in status of	Joint	October 13,

Sr. No.	Description	Authority	Date of Application
	the MIHAN power plant from captive power plant to independent power plant and also requesting LOA to be issued in the name AMNEPL, a special purpose vehicle.	Secretary, Ministry of Power	2010
4.	Application made by AMENPL for registration and grant of factory license for the MIHAN power plant (246 MW), under the Maharashtra Factories Rules, 1963.	Cheif Inspector of Factories	October 4, 2010
5.	Application made by AMENPL for registration and grant of factory license for the Diesel Generator set, under the Maharashtra Factories Rules, 1963.	Cheif Inspector of Factories	October 4, 2010

II. Approvals and applications in relation to the Chandwa Power Project being developed by CPL and the Chitrapur coal block allotted to Corporate Ispat

Sr. No.	Description	Details of License / Registration/ approval	Validity period		Granting/ certifying Authority	Salient conditions
			Issued on/ valid from	Valid up to		
Approvals in relation to coal						
1.	Approval for allocation of Chitarpur block in Jharkhand to Corporate Ispat for captive mining of coal for the 0.75 mtpa capacity sponge iron production at Hazaribagh, Jharkhand under section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973.	Letter no. 47011/1(18)/2000-CP AM/CA	September 2, 2005	-	Ministry of Coal, GoI	The allocation / mining lease may be cancelled in case of (i) unsatisfactory progress in the implementation of end use sponge iron plant; (ii) unsatisfactory progress in the development of coal mining project; and (iii) for breach of any condition of allocation.
2.	Approval of mining plan for 2 mtpa issued to Corporate Ispat under section 5(2)(b) of the Mines and Minerals (Development and Regulation) Act, 1957 in respect of the Chitarpur block.	Letter no. 13016/61/2005-CA-I	July 19, 2006	-	Ministry of Coal, GoI	

Sr. No.	Description	Details of License / Registration/ approval	Validity period		Granting/ certifying Authority	Salient conditions
			Issued on/ valid from	Valid up to		
3.	Letter to Corporate Ispat granting permission for use of middlings produced as a result of washing coal from the captive coal mine in the power plant of CPL.	No. 47011/1(18)/2000-CPAM/CA-I	May 2, 2008	-	Ministry of Coal, GoI	Corporate Ispat is required to furnish an undertaking that CPL would continue to be a subsidiary of Corporate Ispat and Corporate Ispat shall always hold not less than 51% of its paid up equity
4.	Order granting approval for transfer of mining lease (dated October 1, 2007) granted by the Governor of Maharashtra to Anil Mohanlal Sapra to Abhijeet Infra Private Limited for an area of 2.84 hectares for boulder, murrum and stone.	No. MNG-II/D-21/M.L.80/07/WS213/0	October 10, 2008	Lease for a period of five years with effect from October 1, 2006 to September 30, 2012	Office of Collector, Nagpur	
5.	Letter to Under Secretary, Mines and Geology Department, GoJ granting approval for mining lease to Corporate Ispat for coal over an area of 555.34 hectares in Latehar District, Mouza Chitarpur coal mining block.	Letter no. 47011/1(18)/2000-CPAM-CA-I	January 13, 2009	-	Undersecretary, GoI	The conditions mentioned in the approval shall be incorporated in the mining lease deed. No coal shall be sold, delivered, transferred or disposed off except with the previous approval of the Central Government

Sr. No.	Description	Details of License / Registration/ approval	Validity period		Granting/ certifying Authority	Salient conditions
			Issued on/ valid from	Valid up to		
6.	Letter of assurance issued to CPL assuring the supply of 1.99 million tonnes per annum of grade E coal for its 2 x 270 MW (540 MW) power project located at Chitrapur district, Latehar, Jharkhand.	No. CC/HQ/C-4/LOA/Power/IPP/6978-84	September 4, 2010	24 months from the date of issue of the letter of assurance unless extended for three months in accordance with the terms of the letter of assurance	Central Coalfields	<p>(i) The letter of assurance is subject to the execution of fuel supply agreement within three months of the expiry of the validity of the letter of assurance.</p> <p>(ii) The price of the coal will be as per the price notified by Coal India Limited.</p> <p>(iii) The coal assured is for the use in the power plant and CPL will not re-sell or trade the coal.</p> <p>(iv) CPL is required to achieve certain milestone within the prescribed timelines.</p>
Approvals in relation to transmission						
7.	No objection (in-principle) certificate issued to Corporate	Letter no. 83, C/ENG//E/00/SEF/LTA/INT-1	February 6, 2007, LTA is valid from June 1, 2012 subject to	The LTA is valid till May 31, 2037	JSEB	(i) Bank guarantee of ₹ 240 million

Sr. No.	Description	Details of License / Registration/ approval	Validity period		Granting/ certifying Authority	Salient conditions
			Issued on/ valid from	Valid up to		
	<p>Ispat under section 68 of the Electricity Act for the laying of dedicated 400 kV double circuit transmission line from Chitarpur village to Namkum PGCIL 400/220 kV grid sub-station for the 4 x 135 MW (540 MW) coal based pithead thermal power plant at Chitarpur village, Latehar, Jharkhand under clause 68 of the Electricity Act.</p> <p>By a letter dated December 9, 2010, PGCIL has granted to CPL, long term access ("LTA") for a quantum of 480 MW and connectivity to 400/220 kv Ranchi Sub-Station at 400 kv level. Subsequently, PGCIL and CPL have entered into an Agreement for Long Term Access, dated January 4, 2011.</p>		commissioning of the generation project and availability of the transmission system.			<p>to be provided by CPL to PGCIL.</p> <p>(ii) CPL to enter into long term access agreement with CTU within 30 days.</p>

Sr. No.	Description	Details of License / Registration/ approval	Validity period		Granting/ certifying Authority	Salient conditions
			Issued on/ valid from	Valid up to		
8.	Letter permitting laying down of 400 kV double transmission line from site to Namkum station.	No. 19/ U.V.JHA.RA.M.O.U.CORPO/0711 36	May 10, 2007	-	Energy Department, GoJ	Approval of the forest department to be obtained and an application has been made in this regard
9.	Letter enclosing minutes of long term access meeting held on November 5, 2007 whereby it was decided that long term open access shall be granted to the power generated from Chitrapur project (now MUJTP project) for a transmission system of 400 kV D/c.	Letter reference number C/ENG/SEF/N/LTOA	January 8, 2008	-	PGCIL	
10.	Letter indicating the bay allocation in relation to the 400 kV Ranchi substation (enclosing single line diagram)	C/ENG/ER/CCPL/RNCH	February 18, 2008	-	PGCIL	-
11.	Letter to Corporate Ispat granting permission for establishing two 625 kW generators.	498	June 14, 2008	-	Chief Inspector of Electricity Ranchi	-
12.	Consent for procurement of 25% of the total power,	Letter no. 25/JSEB/Ranchi	September 24, 2008	-	JSEB	

Sr. No.	Description	Details of License / Registration/ approval	Validity period		Granting/ certifying Authority	Salient conditions
			Issued on/ valid from	Valid up to		
	that is, 300 MW based on 25% of the phase I of 540 MW and phase II of 660 MW and 12% of the total power, that is, 144 MW on variable cost basis (upon the policy being framed in this respect by Government of India) to be delivered to JSEB system from proposed 660 MW (phase-II), coal based thermal power plant in the state of Jharkhand.					
Approvals in relation to environmental matters						
13.	No objection certificate issued to Corporate Ispat] at Latehar District, Mouza Chitarpur coal mining block for coal mining at 6666 MT/Day and coal washing at 333 MT/day under sections 25 and 26 of the Water Act, section 21 of the Air Act and the Environment (Protection) Act, 1986.	No. N- 129	July 5, 2006	December 31, 2011	JSPCB	The unit shall obtain consent to operate prior to the commissioning of the plant

Sr. No.	Description	Details of License / Registration/ approval	Validity period		Granting/ certifying Authority	Salient conditions
			Issued on/ valid from	Valid up to		
	The validity of the no objection certificate was extended by a letter (no. 1599) dated April 15, 2010 and letter (no. 5029) dated December 3, 2010.					
14.	No objection certificate under sections 25 and 26 of the Water Act and section 21 of the Air Act to Corporate Ispat. The no objection has been granted for the 500 MW power plant at Latehar district, Mouza Chitarpur coal mining block. The validity of the certificate was extended by letters (no. 873 and 1612) dated February 20, 2009 and April 16, 2010. Pursuance to a letter (Letter no. 4465) dated August 26, 2009 the JSPCB has issued a no objection in relation to CPL setting up a 540 MW independent power plant, accepting the conditions under	No. 4167	December 6, 2006	December 31, 2011	JSPCB	

Sr. No.	Description	Details of License / Registration/ approval	Validity period		Granting/ certifying Authority	Salient conditions
			Issued on/ valid from	Valid up to		
	statutory and regulatory provisions of the MoEF and the JSPCB laid down in the environmental clearance and no objection certificate respectively. Subsequently, the validity of the certificate has been further extended by letter (Memo No. 5378) dated December 28, 2010.					
15.	Environmental clearance to Corporate Ispat for the Chitarpur coal mine project for production of coal at 2 MTPA rated capacity under the provisions of the EIA Notification, 2006 and paragraph 2.1.1 of the MoEF circular dated October 13, 2006.	Letter no. J-11015/254/2006-IA.II(M)	May 16, 2007	-	MoEF, GoI	No mining operations shall be undertaken in the forest land until clearance has been obtained under the Forest Conservation Act, 1980, prior to the commencement of mining. Consent to operate has to be obtained before starting mining operations. No change in the mining technology and scope of working should be made without prior approval of MoEF.
16.	Environmental clearance to Corporate	Letter no. J-13011/2/2007-IA-II (T)	May 1, 2008	Valid for a period of 5 years to	MoEF, GoI	The clearance may be revoked in the

Sr. No.	Description	Details of License / Registration/ approval	Validity period		Granting/ certifying Authority	Salient conditions
			Issued on/ valid from	Valid up to		
	<p>Ispat under the provisions of the EIA Notification, 2006 for setting up a thermal power plant with capacity of 500 MW (4 x 125 MW) using coal and washery rejects as fuel. The MoEF has, by a letter (no. J-13011/2/2007-IA-II (T)) dated December 19, 2008, granted no objection to Corporate Ispat for enhancement of capacity to 4 x 135 MW (540 MW) and by a letter (no. J13911/2/2007-IA.II(T)) dated November 16, 2009 approved the change in capacity to 2 x 270 MW (540 MW). Pursuant to an order (no. J-13011/2/2007-IA II (T)) dated January 28, 2010, approval has been granted for transfer of this approval from Corporate Ispat to CPL.</p>			start of production operations by the power plant		event the conditions stipulated are not implemented to the satisfaction of MoEF
17.	Letter issued to CPL providing the terms of	Letter no. J-13012/102/2008-IA.II (T)	March 3, 2009	-	MoEF, GoI	There shall be no change in land requirement,

Sr. No.	Description	Details of License / Registration/ approval	Validity period		Granting/ certifying Authority	Salient conditions
			Issued on/ valid from	Valid up to		
	reference for the 4 x 135 MW (540 MW) thermal power plant based in village Bana, district Latehar, and Jharkhand. By a letter (no. J-13011/102/2008 – IA. II (T)) dated May 25, 2010, the MoEF has intimated CPL that the terms of reference will remain after the change in configuration to 2 x 270 MW (540 MW).					coal and water requirement due to the change in capacity
18.	No objection certificate (consent to establish) issued to CPL for thermal power plant at Latehar District, Mouza Chitarpur under section 25 and 26 of the Water Act and section 21 of the Air Act for the 540 (2 x 270) MW subject to compliance with certain conditions. CPL has made an application to the JSPCB seeking extension the validity of the no objection certificate by four and a half	No. 4126	September 24, 2010	Six months from the date of issue	JSPCB	(i) The consent to establish is subject to CPL meeting certain conditions such as installation of control devices, monitoring facilities and their monitoring facilities with establishment of facilities and compliance of all conditions mentioned therein. (ii) JSPCB has the right to

Sr. No.	Description	Details of License / Registration/ approval	Validity period		Granting/ certifying Authority	Salient conditions
			Issued on/ valid from	Valid up to		
	years. For details, please see “Approvals in respect of which applications have been made and are pending – point no. 4” below.					revise and/ or add other conditions if necessary.
19.	Environmental clearance to Corporate Ispat under the provisions of the EIA Notification, 2006 for expansion of the existing power plant by addition of 2 x 270 MW (latter two units for the Chandwa Power Project) coal based Thermal Power Project, at Latehar, Jharkhand.	Letter no. J-13012/102/2008-IA.II (T)	November 11, 2010	Five years to start operations by the power plant	MoEF, GoI	(i) Corporate Ispat shall comply with the specific and general conditions provided in the license. (ii) MoEF reserves the right to revoke the clearance, if conditions stipulated are not implemented to the satisfaction of the MoEF.
20.	Letter issued to CPL, giving terms of reference (“TOR”) for undertaking detailed environment impact assessment study, in accordance with the provisions of environment impact assessment notifications,	Letter no. J-13012/128/2010-IA.II (T)	December 9, 2010	The TOR’s prescribed would be valid for a period of two years for submission of the environment impact assessment report and environment management plan report, after	MoEF, GoI	Application for environment clearance shall be made after firm fuel and water linkages are obtained.

Sr. No.	Description	Details of License / Registration/ approval	Validity period		Granting/ certifying Authority	Salient conditions
			Issued on/ valid from	Valid up to		
	for 1 x 660 MW Chandwa Power Plant.			public consultation.		
Approvals in relation to water						
21.	In-principle approval issued to CPL for drawing 26.40 MGD of water for the proposed 1,215 MW capacity power plant.	No. MD/DVRR/W-6-116/2008/637-643	September 11, 2008	-	Central Water Commission DVRR Unit, GoI	
No objections issued by AAI						
22.	No objection certificate issued to CPL for the construction of a chimney to the height of 280 meters above ground level.	No. AAI/ER/NOC (26/10)/ 287-290	March 4, 2010	Valid for a period of seven years from date of issue	AAI	
23.	No objection certificate issued to CPL for construction of a chimney to the height of 280 metres above ground level.	No. AAI/ER/NOC(154/10)/1040-1043	July 12, 2010	Valid for a period of seven years from date of issue	AAI	

Approvals in respect of which applications have been made and are pending:

Sr. No.	Description	Authority	Date of Application
1.	Forest land acquisition for construction of 400 kV transmission line.	The Divisional Forest Officer, Latehar Forest Division	August 8, 2008
2.	Application for grant of long term coal linkage to CPL preferably from the mines located in the command area of Central Coalfields for meeting the coal required for the additional 660 MW.	Standing Linkage Committee, Ministry of Coal	July 30, 2010
3.	Application for mega power status for the Chandwa Power Project, enumerating the progress made in the project. The	The Under Secretary, Ministry	March 17, 2007, July 14, 2007 and

Sr. No.	Description	Authority	Date of Application
	Ministry of Power has, by a letter dated September 19, 2007 enumerated the conditions CPL has to comply with to be granted mega power status.	of Power	April 27, 2009
4.	Application made to JSPCB for extension of the validity of the no objection certificate for the Chandwa Power Project, for a further period of four and a half years.	The Member Secretary, JSPCB	December 20, 2010

III. Approvals and applications in relation to the Banka Power Project being developed by JIPL and the Mahuagarhi coal block being developed by MCCPL

Sr. No.	Name and description of License/ Approval	Details of License / Registration/ approval	Validity Period		Granting/ certifying Authority	Salient conditions
			Issued on/ valid from	Valid up to		
Approvals in relation to coal						
1.	Letter intimating JIPL of the joint allocation for Mahuagarhi non-cooking coal block in West Bengal, in favour of CESC Limited and JIPL and providing the options for mining. By a letter (no. 38011/1/2007-CA-I) dated January 9, 2008, the Ministry of Coal has granted joint allocation of the Mahuagarhi coal block to JIPL and CESC Limited. By a letter (No. 38011/1/2007-CA-I (Vol.IV))August 19, 2010 the Ministry of Coal granted approval for change of plant location from Mirzapur district, Burdwan, West Bengal to Banka, Bihar.	Letter no. 38011/1/2007-CA-I	November 6, 2007	-	Ministry of Coal, GoI	-
2.	Prospecting license for an area of 800 hectares.	No. 612/MO	April 8, 2010	Three years from the	Mining Department, Government	(i) Prospecting of any mineral

Sr. No.	Name and description of License/ Approval	Details of License / Registration/ approval	Validity Period		Granting/ certifying Authority	Salient conditions
			Issued on/ valid from	Valid up to		
				date of issue	of Jharkhand	<p>which requires the removal of samples from the forest land requires permission under the Forest Conservation Act, 1980.</p> <p>(ii) The middlings generated in the process of washing the coal shall be used for generation by the allottee for its power plant.</p> <p>(iii) The prospecting has to be completed within 27 months from the date of allocation.</p> <p>(iv) No coal shall be sold, delivered or disposed of except for the stated mining purpose</p>
<i>Approvals in relation to environmental matters</i>						
3.	The Expert Appraisal Committee, Ministry of Forest had prescribed certain terms of reference for phase-	Letter no. J-13012/89/2008-IA-II (T)	June 3, 2009	-	MoEF, GoI	

Sr. No.	Name and description of License/ Approval	Details of License / Registration/ approval	Validity Period		Granting/ certifying Authority	Salient conditions
			Issued on/ valid from	Valid up to		
	I having the capacity of 1,320 MW and the MoEF has issued a letter reiterating the same terms of reference for the ultimate capacity of 2,640 MW.					
4.	Consent to establish under sections 25 and 26 of the Water Act and section 21 of the Air Act. The consent to establish has been issued for establishing a thermal power plant with a capacity of 2,640 MW.	PT(NOC)-2767/09/10103	December 2, 2009	Valid for three years from the date of issue	BSPCB	The applicant shall obtain consent to operate from the BSPCB prior to commissioning of the plant.
5.	Letter issued, providing terms of reference for the Mahuagarhi coal mine for 10 mtpa for the Banka Power Project.	J-11015/281/2010-IA.II(M)	October 28, 2010	Valid for two years.	MoEF, GoI	EIA report for 10 mtpa shall be prepared as per the EIA notification 2006.
Approvals in relation to water and land						
6.	Letter to Industrial Department providing consent for availability of 85 MCM water for withdrawal of water from Chandan to Water Resource Department for the power project reservoir.	No. YO.MO. – 4- Off-10- 38/06	March 6, 2009	-	Water Resource Department, Government of Bihar	Industrial water tax to be paid as fixed by the water resource department
No objection issued by AAI						
7.	No objection certificate for erection of chimney to the height of 280 metres above	File no. AAI/ER/NOC(66/9)/535-538	April 20, 2009	The certificate is valid for a period of	AAI	

Sr. No.	Name and description of License/ Approval	Details of License / Registration/ approval	Validity Period		Granting/ certifying Authority	Salient conditions
			Issued on/ valid from	Valid up to		
	ground level.			five years from the date of issue		

Approvals in respect of which applications have been made and are pending

Sr. No.	Description	Authority	Date of Application
1.	Application for long term open access and confirmation of acceptance of the terms and conditions in respect of the petition for open access for inter-state transmission system for thermal power plant with capacity of 2376 MW. By letter dated January 23, 2010, JIPL has requested for change in capacity, for the purpose of open access permission, to 2,640 MW.	Director (Projects), PGCIL	June 23, 2009

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors has, pursuant to a resolution dated November 3, 2010 authorised the Issue subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act and such other authorities as may be necessary.

The shareholders of our Company have authorised the Issue pursuant to a special resolution dated November 25, 2010 under Section 81(1A) of the Companies Act.

Prohibition by SEBI

Our Company, our Promoters, Directors, Promoter Group entities, Group Companies, and natural persons behind the Promoters which are body corporates, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other authorities. For specific details of AMR Iron and Steel Private Limited and The Jayaswal Basant Lall Shaw Family Trust please see “Our Group Companies – Details of Other Group Companies” on page 254.

The companies, with which our Promoters, Directors or persons in control of our Company were or are associated as promoters, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Except as stated below, none of the Directors of the Company are associated with the capital markets in any manner:

T. S. Bhattacharya is a director of IDFC Securities Limited, an entity registered with SEBI. SEBI had issued a show cause notice to IDFC Securities Limited in June 2009. IDFC Securities Limited has replied to the said notice in July 2009.

Prohibition by RBI

Neither our Company nor our Promoters, the relatives of our Promoter (as defined under the Companies Act) or the Group Companies have been identified as wilful defaulters by the RBI or any other governmental authority. Except as disclosed in the section “Outstanding Litigation and Material Developments – SEBI Proceedings involving Group Companies” on page 435, there are no violations of securities laws committed by any of the Group Companies in the past or pending against them. For specific details of AMR Iron and Steel Private Limited and The Jayaswal Basant Lall Shaw Family Trust please see “Our Group Companies – Details of Other Group Companies” on page 254.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the Regulation 26(2) of the SEBI Regulations, which states as follows:

(2) *“An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer if:*

(a) (i) *the issue is made through the book building process and the issuer undertakes to allot at least fifty per cent. of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers;*

OR

(ii) *at least fifteen per cent. of the cost of the project is contributed by scheduled commercial banks or public financial institutions, of which not less than ten per cent. shall come from the appraisers and the issuer undertakes to allot at least ten per cent. of the net offer to*

public to qualified institutional buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers;

AND

(b) (i) *the minimum post-issue face value capital of the issuer is ten crore rupees;*

OR

(ii) *the issuer undertakes to provide market-making for at least two years from the date of listing of the specified securities, subject to the following:*

(A) *the market makers offer buy and sell quotes for a minimum depth of three hundred specified securities and ensure that the bid-ask spread for their quotes does not, at any time, exceed ten per cent.;*

(B) *the inventory of the market makers, as on the date of allotment of the specified securities, shall be at least five per cent. of the proposed issue."*

We are an unlisted company not complying with the conditions specified in the Regulations 26(1) SEBI Regulations and are therefore required to meet both the conditions detailed in Clause (a) and Clause (b) of Regulation 26(2) of the SEBI Regulations.

- We are complying with Regulation 26(2)(a)(i) of the SEBI Regulations and at least 50% of the Net Issue is proposed to be Allotted to QIBs and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders.
- We are also complying with Regulation 26(2)(b)(i) of the SEBI Regulations and the post-issue face value capital of our Company shall be ₹ [●] million, which is more than the minimum requirement of ₹ 10 crores (₹ 100 million).

Hence, we are eligible for the Issue under Regulation 26(2) of the SEBI Regulations.

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 our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED 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 GLOBAL COORDINATOR AND BOOK RUNNING LEAD MANAGERS AND 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 OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT

INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS AND THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS AND THE BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 29, 2011 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. – NOTED FOR COMPLIANCE
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER 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. - NOTED FOR COMPLIANCE.

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 PROMOTER 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. - COMPLIED WITH,
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE 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. - COMPLIED WITH
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 100 MILLION, 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 OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) 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 our Company from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up at any point of time, with the Global Coordinators and Book Running Lead Managers and 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 Registrar of Companies, West Bengal at Kolkata, in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Disclaimer from our Company, the Directors, the GCBRLMs and the BRLMs

Our Company, the Directors, the GCBRLMs and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website, www.power.abhijeet.in, would be doing so at his or her own risk.

Caution

The GCBRLMs and the BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement entered into between the GCBRLMs, the BRLMs and our Company and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company, the GCBRLMs 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 our Company nor the Underwriters are liable for any failure in downloading 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 our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws,

rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

The GCBRLMs, the BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, affiliates or associates or third parties, for which they have received, and may in future receive, compensation.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs, Eligible NRIs and other eligible foreign investors (*viz.* FVCIs, multilateral and bilateral development financial institutions). This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Kolkata, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. 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 our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered, 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 US Securities Act of 1933 (the “Securities Act”) and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States to “qualified institutional buyers”, as defined in Rule 144A under the Securities Act in transactions exempt from the registration requirements of the Securities Act, and (ii) 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 our 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 our 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 the RoC at the Office of the Registrar of Companies, West Bengal, Nizam Palace, 2nd MSO building, 2nd floor, 234/4, A.J.C. Bose Road, Kolkata 700 020.

Listing

Applications have been made to BSE and NSE 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 any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it, *i.e.* from the date of refusal or within seven days from the Bid/Issue Closing Date, whichever is earlier, then our Company and every Director of our 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 up to 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days of the Bid/ Issue Closing Date.

Consents

Consents in writing of: (a) the Directors, our Company Secretary and Compliance Officer, the Auditors, Bankers to our Company; (b) the lenders of our Company; (c) the IPO grading agency and Monitoring Agency; and (d) the Global Coordinators and Book Running Lead Managers, the Book Running Lead Managers and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue, the legal counsel to the Company and domestic and international legal counsels to the GCBRLMs and the BRLMs, to act in their respective capacities, will be obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and SEBI Regulations, Chaturvedi Sohan & Co, Chartered Accountants, our Company's statutory auditors, have given their written consent to the inclusion of their standalone and consolidated reports both dated March 16, 2011 and May 9, 2011, statement of tax benefits dated May 5, 2011 and certificate dated June 27, 2011 in relation to the Company being a systemically important core investment company in the form and context in which it appears in this Draft Red Herring Prospectus and such consent will not be withdrawn up to the time of submission of the Red Herring Prospectus with the RoC.

Experts to the Issue

Except the report of the Auditors dated March 16, 2011 and May 9, 2011, the statement of tax benefits dated May 5, 2011 and certificate dated June 27, 2011 in relation to the Company being a systemically important core investment company, provided by Chaturvedi Sohan & Co, Chartered Accountants, and the report of [●] in respect of the IPO grading of this Issue to be annexed to the Red Herring Prospectus, our Company has not obtained any expert opinions.

Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, Registrar to the Issue and depository fees, SCSB commission, statutory advertisement expenses and listing fees. For further details of Issue related expenses, please see “Objects of the Issue” on page 81.

Fees Payable to the GCBRLMs, the BRLMs and the Syndicate Members

The total fees payable to the GCBRLMs, the BRLMs and the Syndicate will be as per the engagement letters issued by our Company, a copy of which is available for inspection at the Registered Office between 10 a.m. and 5 p.m. on all Working Days until the Bid/Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU between our Company and the Registrar to the Issue dated November 4, 2010, a copy of which is available for inspection at the Registered Office between 10 a.m. and 5 p.m. on all Working Days until the Bid/Issue Closing Date.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/speed post.

Underwriting Commission, Brokerage and Selling Commission on Previous Issues

Since this is the initial public offer of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our inception.

Particulars regarding public or rights issue during the last five years

We have not made any public or rights issue during the last five years.

Previous capital issue during the previous three years by listed Subsidiaries, Group Companies and associates of our Company

None of the Group Companies, associates or Subsidiaries of our Company is listed on any stock exchange.

Performance vis-à-vis objects – Public/ rights issue of our Company and/ or listed Subsidiaries, Group Companies and associates of our Company

Our Company has not undertaken any previous public or rights issue.

None of the Group Companies, associates or Subsidiaries of our Company is listed on any stock exchange.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the section “Capital Structure” on page 70, our Company has not issued Equity Shares for consideration otherwise than for cash.

Outstanding Debentures or Bonds

Our Company does not have any outstanding debentures or bonds as of the date of this Draft Red Herring Prospectus.

Outstanding Preference Shares

Our Company does not have any outstanding preference shares as of the date of filing this Draft Red Herring Prospectus.

Stock Market Data for the Equity Shares of our Company

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The memorandum of understanding between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a minimum period of three years from the last date of dispatch of CAN, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, application number, address of the applicant, 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 to the relevant SCSB, giving full details such as name, address of applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. The Company, the GCBRLMs, the BRLMs, the Syndicate Members and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI Regulations.

Disposal of Investor Grievances

Our Company estimates that the average time required by our Company, or the Registrar to the Issue or the SCSBs in case of ASBA Bidders 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, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Share Transfer and Investors' Grievance Committee comprising of M. L. Bhakta, K. Ravi Kumar and K. B. Dubey as members.

We have also appointed Sanjay Dey, the Company Secretary of our Company as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post-Issue related problems, at the following address:

Abhijeet Power Limited
Landmark Building,
6th Floor, Ramdaspath,
Wardha Road,
Nagpur 440 010
Maharashtra
Tel: +91 712 301 1400

Fax: + 91 712 301 1405
Email: ipo@abhijeet.in

No investor complaint has been received during the three years preceding the filing of the Draft Red Herring Prospectus.

Changes in Auditors in the last three years

Our statutory auditors for Fiscal 2008 and 2009 were M/s. Agarwal Chhallani and Co., Chartered Accountants. Pursuant to the resignation of M/s. Agarwal Chhallani and Co., Chartered Accountants, Chaturvedi Sohan & Co, Chartered Accountants, our current statutory auditors, were first appointed as our Statutory Auditors on September 30, 2009 for Fiscal 2010.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits during the last five years, except as stated in the section “Capital Structure” on page 70.

Revaluation of Assets

Our Company has not revalued its assets in the last five years.

TERMS OF THE ISSUE

The Issue shall be subject to the provisions of the Companies Act, the SCRA, the SCRR, the Memorandum and the Articles, the Listing Agreement, 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 CAN and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Memorandum and the Articles and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see “Main Provisions of the Articles of Association” on page 517.

Mode of Payment of Dividend

Our Company shall pay dividends to the shareholders in accordance with the provisions of the Companies Act, our Articles and the provisions of the Listing Agreement.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share. The Floor Price of the Equity Share is [●] and the Cap Price is ₹ [●] per Equity Share.

At any given point of time there shall be only one denomination for the Equity Shares.

The Price Band and the minimum Bid lot size for the Issue will be decided by our Company in consultation with the GCBRLMs and the BRLMs and advertised in all editions of [●], an English national daily, all editions of [●], a Hindi national daily and [●] edition of [●], a Bengali newspaper with wide circulation, at least two Working Days prior to the Bid/ Issue Opening Date.

Compliance with SEBI Regulations

Our Company 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 Memorandum and Articles.

For a detailed description of the main provisions of the Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please see “Main Provisions of the Articles of Association” on page 517.

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.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Kolkata.

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 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 to the Issue.

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 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Net Issue, including devolvment of underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

If at least 50% of the Net Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.

Further, we shall ensure that the number of prospective Allotees to whom Equity Shares will be Allotted shall not be less than 1,000.

Arrangement for disposal of odd lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of Equity Shares

Except for lock-in of the pre-Issue Equity Shares, Promoter's minimum contribution and Anchor Investor lock-in in the Issue as detailed in "Capital Structure" on page 70, and except as provided in the Articles, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of the Equity Shares and on their consolidation/ splitting except as provided in the Articles. Please see "Main Provisions of the Articles of Association" on page 517.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States to "qualified institutional buyers", as defined in Rule 144A under the Securities Act in transactions exempt from the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction.

ISSUE STRUCTURE

Issue of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating to ₹ 13,750 million. The Issue comprises a Net Issue of [●] Equity Shares to the public and a reservation of [●] Equity Shares aggregating up to ₹ [●] million, for Eligible Employees. The Issue and the Net Issue will constitute [●]% and [●]%, respectively of the post-Issue paid-up Equity Share capital of our Company.

Our Company is considering a Pre-IPO Placement of up to 333,333,333 Equity Shares for an amount not exceeding ₹ 5,000 million with various investors. The Pre-IPO Placement will be at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post-Issue paid-up Equity Share capital being offered to the public.

The Issue is being made through the Book Building Process.

	QIBs¹	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
Number of Equity Shares ²	At least [●] Equity Shares.	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.	Up to [●] Equity Shares.
Percentage of Issue Size available for Allotment/allocation	At least 50% of the Net Issue being Allotted. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. For details, see ⁽¹⁾ below.	Not less than 15% of Net Issue or the Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Net Issue or the Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.	Up to [●]% of the Issue.
Basis of Allotment/allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹	Such number of Equity Shares that the Bid	[●] Equity Shares	[●] Equity Shares

	QIBs¹	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
	200,000 and in multiples of [●] Equity Shares thereafter.	Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.		
Maximum Bid	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000.	Such number of Equity Shares per Eligible Employee so as to ensure that the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] 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	[●] Equity Shares and in multiples of one Equity Share thereafter.
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply ³	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, multilateral and bilateral development financial institutions, venture capital fund registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million and National	Resident Indian individuals, Eligible NRIs, HUF (applying through the Karta), companies, corporate bodies, scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Individual Bidders, HUFs (applying through their karta) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed ₹ 200,000	Eligible Employees

	QIBs¹	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
	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, insurance funds set up and managed by the Department of Posts, India			
Terms of Payment	Amount shall be payable at the time of submission of Bid cum Application Form. ⁴	Amount shall be payable at the time of submission of Bid cum Application Form. ⁴	Amount shall be payable at the time of submission of Bid cum Application Form. ⁴	Amount shall be payable at the time of submission of Bid cum Application Form. ⁴

¹ Our 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, please see “Issue Procedure” on page 484.

² Subject to valid Bids being received at or above the Issue Price, in accordance with Rule 19(2)(b) of the SCRR, the Issue is being made under sub regulation (2) of regulation 26 of the ICDR regulations through the Book Building Process wherein at least 50% of the Net Issue will be Allotted on a proportionate basis to QIBs. 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. If at least 50% of the Net Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category except in the QIB category would be met with spill-over from other categories at the discretion of our Company, in consultation with the GCBRLMs and the BRLMs.

Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. The unsubscribed portion in the Net Issue, except the QIB Portion, shall be allowed to be met from spill over to the extent of under subscription from the Employee Reservation Portion, subject to the Net Issue constituting 10% of the post Issue capital of our Company.



³ 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.

⁴ In case of Bidders submitting ASBA Bid cum Application Forms, the SCSBs shall be authorised to block such funds in the bank account of the Bidders that are specified in the ASBA Bid cum Application Forms.

A discount of ₹ [●] to the Issue Price, which is upto 10% of the Issue Price, determined pursuant to completion of the Book Building Process may be offered to Eligible Employees. Eligible Employees Bidding at a price within the Price Band have to make payment after adjusting the same for Eligible Employee Discount. The Eligible Employees shall indicate the Bid price and also the Bid price after the adjustment for the Eligible Employee Discount in the Bid cum Application Form.

Eligible Employees should note that the Eligible Employee Discount is being offered on application. The excess amount paid on application shall be refunded to such Bidders or unblocked from their ASBA Accounts as the case may be after Allotment.

Bid/ Issue Programme

BID/ISSUE OPENS ON	 *
BID/ISSUE CLOSES ON	 **

* Our 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.

** Our Company may consider closing the Bid/Issue Period for QIB Bidders one Working Day prior to the Bid/Issue Closing Date.

Except in relation to Bids received from Anchor Investors, 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 in the Bid cum Application Form. On the Bid/ Issue Closing Date, the 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 5.00 p.m. in case the Bid/Issue Period for QIBs closes on Working Day prior to the Bid/Issue Closing Date and (ii) until 5.00 p.m. (IST) or such extended time as permitted by BSE and NSE, in case of Bids by Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion. It is clarified that the Bids not uploaded in the book would be rejected. Bids by the Bidders applying through ASBA process shall be uploaded by the SCSB in the electronic system to be provided by the Stock Exchanges.

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 Working Days.

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders and Eligible Employees 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 GCBRLMs and the BRLMs to the Stock Exchange within half an hour of such closure.

Our Company, in consultation with the GCBRLMs and the BRLMs, 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.

In case of revision of the Price Band, the Bid/Issue Period will be extended for at least 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 websites of the GCBRLMs, the BRLMs and at the terminals of the Syndicate [and intimation to SCSBs].

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 ASBA form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB for rectified data.

ISSUE PROCEDURE

This section applies to all Bidders. Please note, that QIBs (other than Anchor Investors) and Non-Institutional Investors can participate in the Issue only through the ASBA process. Retail Individual Bidders and Eligible Employees can participate in the Issue through the ASBA process as well as non ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that may be different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process 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. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSB at the time of bidding.

Book Building Procedure

Our company is eligible for the issue under sub-regulation 2 of regulation 26 of the ICDR regulations. The Issue is being made through the Book Building Process wherein at least 50% of the Net Issue shall be Allotted 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. If at least 50% of the Net Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under subscription in any category, if any, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the GCBRLMs and the BRLMs.

Our Company may allot up to 30% of the QIB portion on a discretionary basis to Anchor Investors, at the Anchor Investor Issue Price.

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 including DP ID, PAN and beneficiary account number 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 on the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bid cum Application forms for ASBA Bidders will also be available on the website of the Stock Exchanges. Same ASBA Bid cum Application Form applies to all ASBA Bids irrespective of whether they are submitted to the SCSBs or to the Syndicate (in Specified Cities). Bid cum Application Forms for Anchor Investors shall be made available at the offices of the GCBRLMs and the BRLMs.

The mode and manner of Bidding is illustrated in the following chart:

Category of bidder	Mode of Bidding	Application form to be used for Bidding	To whom the application form has to be submitted
Retail Individual Bidders and Eligible Employees	Either (i) ASBA or (ii) Non-ASBA	(i) If Bidding through the ASBA process, ASBA Bid cum Application Form (physical or electronic); or (ii) If Bidding through non-ASBA, Bid cum Application Form	(i) If using physical ASBA Bid cum Application Form, to the members of the Syndicate only at the Selected Centres; or (ii) If using physical ASBA Bid cum Application Form, to the Designated Branches of the SCSBs where the SCSB account is maintained; or

Category of bidder	Mode of Bidding	Application form to be used for Bidding	To whom the application form has to be submitted
			(iii) If using electronic ASBA Bid cum Application Form, to the SCSBs, electronically through internet banking facility, where the SCSB account is maintained; or (iv) If using Bid cum Application Form, to the members of the Syndicate at the Bidding Centres.
Non-Institutional Bidders and QIBs (excluding Anchor Investors)	ASBA (<i>Kindly note that ASBA is mandatory and no other mode of Bidding is permitted</i>)	ASBA Bid cum Application Form (physical or electronic)	(i) If using physical ASBA Bid cum Application Form, to the members of the Syndicate only at the Selected Centres; or (ii) If using physical ASBA Bid cum Application Form, to the Designated Branches of the SCSBs where the SCSB account is maintained; or (iii) If using electronic ASBA Bid cum Application Form, to the SCSBs, electronically through internet banking facility, where the SCSB account is maintained.
Anchor Investors	Non- ASBA	Bid cum Application Form	The GCBRLMs and the BRLMs.

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, FIIs, FVCIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis (ASBA as well as non ASBA Bidders)	Blue
Eligible Employees	Pink
Anchor Investors	White

All Bidders other than the ASBA Bidders are required to submit their Bids through the Syndicate only. ASBA Bidders are required submit their Bids only through SCSBs authorising blocking of funds that are available in the bank account specified in the ASBA Bid cum Application Form, except for the ASBA Bids submitted in the Specified Cities. ASBA Bidders in the cities of Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat (together, the “**Specified Cities**”) may submit an ASBA Bid cum Application Form to Syndicate Members or their Affiliates. The Syndicate/sub-Syndicate members shall satisfy themselves that the SCSBs whose name has been filled in the ASBA Bid cum Application Form has named a branch in that centre to accept the ASBA Bid cum Application Form. QIBs participating in the Anchor Investor Portion cannot submit their Bids in the Anchor Investor Portion through the ASBA process. Bidders other than ASBA 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.

Upon completion and submission of the Bid cum Application Form to the Syndicate or the SCSB, the Bidder or the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring

Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder or the ASBA Bidder. Upon the filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form.

Who can Bid?

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended;
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this Issue;
- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-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 ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund;

- Limited liability partnerships;
- Insurance funds set up and managed by the army, navy or air force or the Department of Posts of the Union of India;
- Eligible Employees; and
- All other persons eligible to invest under all applicable laws, rules, regulations and guidelines.

As per the existing regulations, OCBs cannot participate in this Issue.

Participation by associates and affiliates of the GCBRLMs, the BRLMs and the Syndicate Members

The GCBRLMs, 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 GCBRLMs, 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. Such Bidding and subscription may be on their own account or on behalf of their clients. However, Allotment to all investors including associates / affiliates of the GCBRLMs, the BRLMs and Syndicate Members respectively shall be on a proportionate basis.

The GCBRLMs, the BRLMs and any persons related to the GCBRLMs or BRLMs or the Promoters and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Further, affiliates and associates of the Underwriters that are FIIs or their sub-accounts may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

Bids by Mutual Funds

5% of the QIB Portion (excluding the Anchor Investor Portion) is available to be allocated to Mutual Funds. 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.

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

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 applying on a repatriation basis at the Registered Office of our Company, 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. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total paid-up Equity Share capital or 5% of our total paid-up Equity Share capital in case such sub-account is a foreign corporate or a foreign individual. As of now, the aggregate FII holding in our Company cannot exceed 24% of our total paid-up equity share 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 and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended (the “SEBI FII Regulations”), an FII, as defined in the SEBI FII Regulations, may issue or otherwise 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 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, our 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 Investors) 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 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. Our Company, the GCBRLMs, the BRLMs and the Syndicate Members 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 Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 200,000. In case the Bid Amount is over ₹ 200,000 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 and Eligible Employees indicating their agreement to Bid and purchase the Equity Shares at the final Issue

Price as determined at the end of the Book Building Process.

- (b) **For Other Bidders (Non-Institutional Bidders and QIBs excluding Bidders in Anchor Investors Portion):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹ 200,000 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 Bidder 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. QIBs and Non-Institutional Bidders are mandatorily required to submit their Bids using the ASBA process.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than ₹ 200,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to ₹ 200,000 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 Employee Reservation Portion:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by Eligible Employee does not exceed ₹ 200,000. In the event the Eligible Employee Discount is offered, Eligible Employees should note that the benefit of the Eligible Employee Discount can be availed at the time of Bidding itself. Accordingly, after indicating the Bid Amount in the Bid cum Application Form for the purposes of Bidding, payment should be made of the the Bid Amount net of the Eligible Employee Discount. In case of revision of Bids, the Eligible Employees have to ensure that the Bid Amount does not exceed ₹ 200,000. Any Bids in the Employee Reservation Portion exceeding ₹ 200,000 would be rejected. The Cut-off option is an option given only to the Retail Individual Bidders and Eligible Employees indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process. Eligible Employees bidding under the Employee Reservation Portion may also Bid under the Retail Portion and Non-Institutional Portion and such Bids shall not be treated as multiple Bids.
- (d) **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 ₹ 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.**

Information for the Bidders:

- (a) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.
- (b) Our Company, the GCBRLMs and 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 two national newspapers (one each in English and Hindi) and in one Bengali newspaper with wide circulation. This advertisement shall be in the prescribed format.
- (c) Our Company may decide to close Bidding by QIBs one Working Day prior to the Bid/Issue Closing Date provided that Bidding shall be kept open for a minimum of three days for all categories of Bidders. Our Company's decision to close Bidding by QIBs one Working Day prior to the Bid/Issue Closing Date shall be disclosed in the Red Herring Prospectus to be filed with the RoC.
- (d) Copies of the Bid cum Application Form and copies of the Red Herring Prospectus will be available with the Syndicate and the SCSBs. Copies of the ASBA Bid cum Application Form will be available for

download and printing, from the websites of the SCSBs, the Syndicate Members and the Stock Exchanges.

- (e) Any Bidder (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 or from any member of the Syndicate.
- (f) Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the GCBRLMs, the BRLMs or Syndicate Members or their authorised agent(s) to register their Bids. Bidders using the ASBA process should approach the Designated Branches of the SCSBs or the Syndicate (in Specified Cities) to register their Bids.
- (g) 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 and Syndicate Members (in Specified Cities). Bidders applying through the ASBA process also have an option to submit the ASBA Bid cum Application Form in electronic form.
- (h) The Syndicate and the Designated Branches of the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period in accordance with the terms of the Syndicate Agreement, provided that the GCBRLMs, the BRLMs, shall accept the Bids from Anchor Investors only during the Anchor Investor Bid/Issue Period.
- (i) The demat account of Bidders for whom PAN details have not been verified, excluding Bids on behalf of the Central or State Governments or officials appointed by the courts and persons resident in the state of Sikkim, who may be exempted from specifying their PAN for transactions in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

The applicants may note that 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 by the Syndicate do not match with the DP ID, Client ID and PAN available in the Settlement Depository database, the application is liable to be rejected.

Method and Process of Bidding

- (a) Our Company in consultation with the GCBRLMs and the BRLMs will decide the Price Band, the Eligible Employee Discount, if any, and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of [●], an English national daily, all editions of [●], a Hindi national daily and in [●] edition of [●], a Bengali newspaper with wide circulation 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 two national newspapers (one each in English and Hindi) and one Bengali newspaper with wide circulation and also by indicating the change on the websites of the GCBRLMs, 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 who wish to use the ASBA process should approach the Designated Branches of the SCSBs or the Syndicate (in Specified Cities) to register their Bids or through internet enabled bidding and banking facility of SCSB.
- (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. With respect to the ASBA Bid cum Application Forms collected by any member of the Syndicate, the Syndicate Member will issue an acknowledgement by giving the counter foil of the ASBA Bid cum Application Form to the ASBA Bidder. The TRS will be generated by the concerned SCSB after blocking of funds. The TRS shall be furnished to the ASBA Bidder on request.
- (g) The GCBRLMs and 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” on page 492.
- (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) Upon submission of the ASBA Bid cum Application Form to a Syndicate Member (in Specified Cities), they shall upload such Bids with the Stock Exchanges.
- (l) 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.
- (m) 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 for Allotment of 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

- (a) Our Company, in consultation with the GCBRLMs and 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) Our Company, in consultation with the GCBRLMs and 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) Our Company, in consultation with the GCBRLMs and 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 and Bidders in the Employee Reservation Portion 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 and Bidders in the Employee Reservation Portion, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders and Bidders in the Employee Reservation Portion, 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, please see “Issue Procedure - Payment Instructions” on page 503.

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 Closing Date.
- (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.
- (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 Designated Branches of 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 GCBRLMs and the BRLMs on a regular basis.
- (e) Due to the 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.
- (f) 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 by end of each day.

- (g) 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 Depository Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form;
- Investor Category – Individual, employee, 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 (of the First Bidder, in case of more than one).

With respect to Bids by ASBA Bidders, at the time of registering such Bids, the Designated Branches of the SCSBs and the Syndicate Members (in Specified Cities) 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 - Individual, Corporate, FII, NRI, Mutual Funds, etc;
- 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.

- (h) 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 or our Company.
- (i) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (j) In case of QIB Bidders, only the (i) SCSBs; and (ii) BRLM and their affiliate Syndicate Members (only in Specified Cities) 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, Retail Individual Bidders and Eligible Employees, Bids will be rejected on technical grounds listed herein. The members of 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.
- (k) The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the GCBRLMs 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 our Company, the Promoters, the management or any scheme or project of our 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.

- (l) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. Members of the Syndicate and the SCSBs will be given up to one Working 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 the depositories records.
- (m) The Syndicate and / or the 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.
- (n) 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 GCBRLMs and 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 and Eligible Employees 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 ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate to whom the original Bid was submitted. For Retail Individual Bidders, in case the total amount (i.e. original Bid Amount plus additional payment) exceeds ₹ 200,000, 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. submitted.

- (g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees, 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) Our Company, in consultation with the GCBRLMs and 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 ₹ 5,000 to ₹ 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. 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 to the Issue 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, our Company in consultation with the GCBRLMs and the BRLMs shall finalise the Issue Price.
- (b) Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the sole discretion of our Company, in consultation with the GCBRLMs and the BRLMs. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post Issue capital of our Company. If at least 50% of the Net Issue is not Allotted to the QIBs, the entire subscription monies shall be refunded.
- (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 our Company in consultation with the GCBRLMs and 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 Investors Bid/Issue Period.
- (f) The Allotment status detail shall be put up on the website of the Registrar to the Issue.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company, the GCBRLMs, 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, our Company 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, our 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 one English language national daily newspaper, one Hindi language national daily newspaper and one Bengali language daily newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

Our 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 to the Issue shall send to the Syndicate a list of the Bidders who have been allocated Equity Shares in the Issue.
- (b) The Registrar to the Issue will then dispatch a CAN to the Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.
- (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 to the Issue on the basis of the Bid cum Application Forms received from Anchor Investors. All successful Anchor Investors will be sent Anchor Investor Allocation Notice post Anchor Investor Bid/Issue 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 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

- (a) Our Company will ensure that (i) the Allotment; and (ii) credit to the successful Bidder’s depository 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, our 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 PAN, DP ID 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 to a Syndicate (in Specified Cities) or 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 through 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 and Bidders resident in the state of Sikkim, 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.

- (o) Ensure that the DP ID, Client ID and PAN in the Bid cum Application Forms matches that in the Depository database.
- (p) QIBs and Non-Institutional Bidders should only submit their Bids using the ASBA process.

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 ₹ 200,000);
- (g) Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion);
- (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 specific to ASBA Bidders

Do's:

- (a) Check if you are eligible to Bid under the ASBA process.
- (b) Ensure that you use the ASBA Bid cum Application Form specified for the purposes of the ASBA process.
- (c) Read all the instructions carefully and complete the ASBA Bid cum Application Form.
- (d) Ensure that your ASBA Bid cum Application Form is submitted to a Syndicate Member (in Specified Cities) or at a Designated Branch where the ASBA Account is maintained and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue or the GCBRLMs or the BRLMs.
- (e) Ensure that the ASBA Bid cum Application Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder.
- (f) Ensure that you have mentioned the correct ASBA Account number in the ASBA Bid cum Application Form.
- (g) Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the ASBA

Bid cum Application Form to the respective Designated Branch.

- (h) Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form.
- (i) Ensure that you receive an acknowledgement from the Designated Branch for the submission of your ASBA Bid cum Application Form.
- (j) Ensure that the name(s) given in the ASBA 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 ASBA 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 ASBA Bid cum Application Form.

Don'ts:

- (a) Do not Bid on another ASBA Bid cum Application Form or on a Bid cum Application Form after you have submitted a Bid to a Syndicate Member or at a Designated Branch.
- (b) Payment of Bid Amounts in any mode other than through blocking of Bid Amounts in the ASBA Accounts shall not be accepted under the ASBA.
- (c) Do not send your physical ASBA Bid cum Application Form by post. Instead submit the same to a Syndicate Member or at a Designated Branch.
- (d) Do not submit more than five ASBA Bid cum Application Forms per ASBA Account.

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 and Eligible Employees, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ₹ 200,000.
- (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 is equal to ₹ 200,000 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. Bids should be submitted using the ASBA process to a Syndicate Member (in Specified Cities) or at a Designated Branch.
- (f) For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount

exceeds or equal to ₹ 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 to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, 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 GCBRLMs, the BRLMs or the Syndicate Members or the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility nor 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.

Bidders may note that in case the Depository Participant identification number, client identification number of the demat account of the Bidder, and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members or the SCSBs do not match with the Depository Participant identification number, client identification number of the demat account of the Bidder, and PAN available in the Depository database, the application Bid cum Application Form is liable to be rejected.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/ 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 our Company, the Escrow Collection Banks, Registrar to the Issue, the GCBRLMs, the BRLMs and the Syndicate Members 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 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. The Bid cum Application Form or the Revision Form will be available at our Registered Office and with the members of the Syndicate.
2. In a single name or joint names (not more than three and in the same order as their Depository 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 ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

In accordance with the FEMA and regulations thereunder, OCBs cannot Bid in the Issue.

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 by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 200,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion may Bid at Cut off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour form).
- (b) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.
- (c) The sole/ First Bidder should be an Eligible Employee as defined above.
- (d) Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.
- (e) Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above

the Issue Price, would be considered for Allotment under this category.

- (f) Eligible Employees Bidding at a price within the Price Band have to make payment after adjusting the Eligible Employee Discount. The Eligible Employees shall indicate the Bid price and also the price after adjusting the Eligible Employee Discount in the Bid cum Application Form.
- (g) Eligible Employees can apply at Cut-off Price.
- (h) Bid by Eligible Employees can be made also in the Net Issue and such Bids shall not be treated as multiple Bids.
- (i) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- (j) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post-Issue share capital of our Company.
- (k) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to para “Basis of Allotment” on page 511.

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 ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 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, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to Bids by FIIs, VCFs, FVCIs 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 ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 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.
- (d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified true copy of the certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached along with the Bid cum Application Form.

Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our

Company, the GCBRLMs and the BRLMs may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders (except QIBs and Non-Institutional 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 relevant 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 (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 this 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 our Company, the Syndicate, the Escrow Collection Banks and the Registrar to the Issue 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 Bid or receipt of instructions from the Registrar to the Issue 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 to the Issue 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 Bids, 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 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 shall be rejected.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - (a) In case of resident Retail Individual Bidder: “[●]”
 - (b) In case of non-resident Retail Individual Bidder: “[●]”

- (c) In case of Eligible Employees: “[●]”
4. 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: “[●]”
 5. 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.
 6. In case of Bids by NRIs applying in the Retail Portion 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 in the Retail Portion 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, a Special Rupee Account should be mentioned on the ASBA Bid cum Application Form for blocking the funds along with documentary evidence in support of the remittance.
 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 12 Working Days from the Bid/Issue Closing Date, the Refund 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 or to Syndicate at the following 12 locations: Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat. In case the ASBA Bidder submits its Bid through a member of the Syndicate at one of the locations mentioned above, the Bid will be uploaded by that member of the Syndicate in the electronic bidding system of the Stock Exchanges and the Bid cum Application Form will then be forwarded to the concerned SCSB for further action including signature verification and blocking of funds. In case of application in electronic form, the ASBA Bidder shall submit the Bid cum Application Form either through the internet banking facility available with the SCSBs, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with the SCSB, and accordingly register such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the ASBA Bid cum Application Form.

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 refund payments and instructions for unblocking of funds in bank account 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. 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 may 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. Eligible Employees can Bid in the Employee Reservation Portion and the Net Issue and such Bids shall not be considered as multiple Bids. Bids by QIBs under the Anchor Investor Portion and QIB Portion (excluding Anchor Investor Portion) will not be considered as multiple Bids.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple 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 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, 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 mention the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

Withdrawal of ASBA Bids

ASBA Bidders can withdraw their Bids during the Bid/Issue Period by submitting a request for the same to the SCSBs or the Syndicate (in Specified Cities) who shall do the requisite, including deletion of details of the withdrawn ASBA Bid cum Application Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account. In case an ASBA Bidder (other than QIB) wishes to withdraw the Bid after the Bid/Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after approval of the 'Basis of Allotment'.

REJECTION OF BIDS

In case of QIB Bidders, the Syndicate Members or their Affiliates may accept (in Specified Cities) 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, our 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 ASBA Bids 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, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. 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 (except for Bids from Central or State Government or officials appointed by a court or residents of Sikkim);
- GIR number mentioned instead of PAN;
- PAN details not being verified with demat accounts. The demat accounts for such Bidders shall be "suspended credit";
- 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;
- If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the ASBA Account holder as provided in the ASBA Bid cum Application Form;
- Submission of more than five ASBA Bid cum Application Forms per bank account;
- Submission of non ASBA Bid cum Application Forms by QIBs and Non-Institutional Bidders;
- Bids at Cut-off Price by Non-Institutional and QIB Bidders;
- Bids by Eligible Employees wherein the Bid Amount exceeds ₹ 200,000;
- Bids for number of Equity Shares which are not in multiples of [●];
- Category not ticked;
- Multiple Bids as defined in this 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 GCBRLMs, the BRLMs or Syndicate Members or the SCSB;
- Bid cum Application Forms does not have Bidder's depository account details or the details are incomplete;
- Bid cum Application Forms submitted by Eligible Employees not indicating the Bid price before adjusting the Eligible Employee Discount, if any;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus;
- In case no corresponding record is available with the Depositories that matches the PAN of the sole or first Bidder, Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids by OCBs;
- 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;
- 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 intimated to the GCBRLMs and the BRLMs;
- Bids by persons in the United States excluding "qualified institutional buyers" as defined in Rule 144A under the Securities Act or other than in reliance of Regulation S under the Securities Act;

- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- 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 DEPOSITORIES, THE BID 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 our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated October 4, 2010 between NSDL, our Company and the Registrar to the Issue; and
- Agreement dated September 27, 2010 between CDSL, our Company and the Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- A 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.
- 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.
- Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- 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.
- 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.
- 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.
- 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.
- The trading of the Equity Shares of our Company would be in dematerialised form only for all Bidders in the demat segment of the respective Stock Exchanges.

- (i) Non transferable advice or refund orders will be directly sent to the Bidders by the Registrar to the Issue.

COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate 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 and a copy of the acknowledgement slip.

Bidders can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of CAN, 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 or Syndicate (in Specified Cities) 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 to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue, the GCBRLMs, the BRLMs nor the Syndicate Members 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 our Company.
3. RTGS – Applicants having a bank account at any of the centres where clearing houses are managed by the RBI and whose refund amount exceeds Rs. 100,000 will be considered to receive refund through RTGS. For such eligible applicants, IFSC code will be derived based on the MICR code of the Bidder as per depository records/RBI master. In the event the same is not available as per depository records/RBI master, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
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 through ordinary post for refund orders less than or equal to ₹ 1,500 and by registered post or speed post for refund orders exceeding ₹ 1,500. 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 to the Issue 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 and such surplus funds for 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, our Company shall ensure dispatch of CAN, 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 the 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 15 days of Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 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, our 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 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.
- Our Company 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 our Company becomes liable to repay, our Company and every Director of our 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 Section 73 of the Companies Act.

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 Net Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Net 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 [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For QIBs (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:
 - (i) 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.
 - (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders (excluding Anchor Investor Portion).
 - (iii) Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.
- The aggregate Allotment to QIB Bidders shall not be less than [●] Equity Shares.

D. For Employee Reservation Portion

- The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Eligible Employees does not exceed ₹ 200,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion may Bid at Cut-off Price.
- Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue.
- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiple of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.
- Only Eligible Employees can apply under Employee Reservation Portion.

E. For Anchor Investor Portion

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company, in consultation with the GCBRLMs and 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 ₹ 2,500 million and minimum number of five Anchor Investors for allocation more than ₹ 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 GCBRLMs and 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, our Company shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the GCBRLMs, the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders will be categorised according to the number of Equity Shares applied for.
- b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- d) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:

- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
 - Each successful Bidder shall be Allotted a minimum of [●] Equity Shares.
- e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of 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 our Company, in consultation with the GCBRLMs and the BRLMs.

Refund Orders or instructions to the SCSBs

Our 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. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched through ordinary post for refund orders less than or equal to ₹ 1,500 and by registered post or speed post for refund orders exceeding ₹ 1,500 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 15 days of the Bid/ Issue Closing Date. In case of ASBA Bidders, the Registrar to the Issue 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 and such surplus funds for 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, including in cases of excess Bid Amount/ instruction to the SCSBs by the Registrar to the Issue.

Our Company agrees that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders' depository accounts will be completed within 12 Working Days of the Bid/ Issue Closing Date. Our Company further agrees that it shall pay interest at the rate of 15% p.a. if the CAN 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.

Our Company will provide adequate funds required for dispatch of refund orders or CAN to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
- That all steps 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 to the Issue by the Issuer;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within [15 days] of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That the certificates of the securities/ refund orders to 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.

Our Company shall not have recourse to the Issue 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.

Withdrawal of the Issue

Our Company, in consultation with the GCBRLMs and 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, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements in terms of regulation 47 of the SEBI Regulations were published providing reasons for not proceeding with the Issue within two days of the Bid/Issue Closing Date. The GCBRLMs and the BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the day of receipt of such notification. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with a public issue of our Company's Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Any further issuances by our Company shall be undertaken in accordance with applicable law.

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 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; and

- the utilisation of monies received under the Employee Reservation Portion 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 our Company indicating the purpose for which such monies have been utilised.

RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment limit is allowed up to 100% under automatic route in our Company.

The Government has from time to time made policy pronouncements on FDI through press releases and press notes. The Department of Industry Policy and Promotion (“DIPP”), Ministry of Commerce and Industry, Government of India, has issued circular 1 of 2011 (“Circular 1 of 2011”), which with effect from April 1, 2011, consolidates and supercedes all previous press notes, press releases and clarifications on FDI issued by the DIPP which were in force as on March 31, 2011.

FIIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of 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 the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and the transfer does not attract the provisions of the SEBI (Substantial Acquisition of Share and Takeovers) Regulations, 1997, as amended; (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.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the “Securities Act”) and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States to “qualified institutional buyers”, as defined in Rule 144A under the Securities Act in transactions exempt from the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the GCBRLMs 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 number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Authorized Share Capital

Article 1 provides that the Authorized Share Capital of the company shall be as is given in the Clause V of the memorandum of association

Shares at the disposal of the Directors

Article 2 provides that “subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit”

Increase of capital

Article 5 provides that “The Company at its General Meeting may, from time to time, by an Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe”

Reduction of Capital

Article 6 provides that “The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorized by law, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise”

Power to issue shares with differential voting rights

Article 9 provides that “The Company shall have the power to issue Shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with requirements as provided for in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, or any other law as may be applicable”

Power to issue preference shares

Article 10 provides that “Subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue preference shares which are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of such redemption”

Sub-division and consolidation of share certificate

Article 7 provides that “subject to the provisions of Section 94 of the Act, the Company in General Meeting, may by an ordinary resolution from time to time:

- (a) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference of special advantage as regards dividend capital or otherwise as compared with the others
- (b) Cancel shares which at the date of such general meeting 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.”

New Capital Part of Existing Capital

Article 8 provides that “Except so far as otherwise provided by the conditions of the issue or by these presents any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.”

Further issue of shares

Article 11 (1) provides that “Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then

- (a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.
- (b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of 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”

In addition, the proviso to Article 11 provides 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.”

Returns on allotment to be made or restrictions on allotment

Returns on Article 14 provides that “The Board shall observe the restrictions as regards allotment of shares to the public contained in Section 69 and 70 of the Act, and as regards return on allotments, the Directors shall comply with Section 75 of the Act.”

Money due on shares to be a debt to the Company

Article 15 provides that “The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.”

Restriction on allotment

Article 4 provides that

- “(a) The Directors shall in making the allotments duly observe the provision of the Act;
- (b) The amount payable on application on each share shall not be less than 5% of the nominal value of the share; and
- (c) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.”

Commission for placing shares, debentures, etc

Article 22 provides that

- “(a) Subject to the provisions of the Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures, or debenture-stock of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture-stock of the Company.
- (b) The Company may also, in any issue, pay such brokerage as may be lawful.”

Company’s lien on shares / debentures

Article 23 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 share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of 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. The fully paid up shares shall be free from all lien and that in the case of partly paid shares the Company’s lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.”

Enforcing lien by sale

Article 24 provides that “For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their members to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell have been served on such member or his representative and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice.”

Board to have right to make calls on shares

Article 26 provides “The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in General Meeting.”

Notice for call

Article 27 provides “Fourteen days notice in writing of any call shall be given by the Company specifying the date, time and places of payment and the person or persons to whom such call be paid.”

Call when made

Article 28 provides that “The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board.”

Board to extend time to pay call

Article 30 provides that “The Board may, from time to time, at its discretion extend the time fixed for the payment of any call and may extend such time to all or any of the members. The Board may be fairly entitled to grant such extension, but no member shall be entitled to such extension, save as a matter of grace and favour.”

Calls to carry interest

Article 31 provides that “If a member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 5% per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.”

Payment in anticipation of call may carry interest

Article 35 provides that,

- “(a) 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.
- (b) 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.
- (c) The provisions of this Article shall mutatis mutandis apply to the calls on debentures of the Company.”

Board to have right to forfeit shares

Article 36 provides that “If any member fails to pay any call or installment of a call or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.”

Effect of forfeiture

Article 38 provides that “If the requirements of any such notice as aforesaid were not complied with, every or any share in respect of which such notice has been given may at any time thereafter, before the payment required by the

notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.”

Forfeited shares to be the property of the Company

Article 40 provides that “Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.”

Members to be liable even after forfeiture

Article 41 provides that “Any member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.”

Board entitled to forfeit shares

Article 46 provides that “The Board may at any time before any share so forfeited shall have them sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.”

Instrument of Transfer

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 52 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 transmission, as the case may be, was delivered with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation 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 57 provides that “any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any members, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Articles, or of his title, either be registering himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares.”

In addition Article 57 also provides that “A person becoming entitled to a share or debenture by reason of the death, lunacy, bankruptcy or insolvency of any members, of the holder shall be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture.”

Borrowing powers

Article 127 (c) provides that “Subject to the provisions of the above sub-clauses, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company, at such time and in such manner and upon such terms and conditions in all respects as they think, fit and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as they may seem expedient.”

Article 127 (d) provides that “To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.”

Conversion of shares into stock

Article 71 provides that

- “(a) The Company in General Meeting may, by an Ordinary Resolution, convert any fully paid-up shares into stock
- (b) reconvert any stock into fully paid up shares of any denomination”

Rights of stock holders

Article 72 provides that “The holders of stock shall according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose”

Annual general meetings

Article 73 provides that “The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act.”

Extraordinary general meetings

Article 74 provides that “The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board.”

Extraordinary meetings on requisition

Article 75 provides that “The Board shall on, the requisition of members convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 169 of the Act.”

Quorum for General Meetings

Article 79 provides that “Five members or such other number of members as the law for the time being in force prescribes, shall be entitled to be personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.”

Voting at Meeting

Article 84 provides that “At any General Meeting, a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) is demanded in accordance with the provisions of Section 179 of the Act.”

Casting vote of chairman

Article 86 provides that “In case of equal votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or a casting vote in addition to the vote or votes to which he may be entitled to as a member.”

Voting rights of Members

Article 89 provides that

- “(a) On a show of hands every member holding equity shares and present in person shall have one vote.
- (b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his shares of the paid up equity share capital.
- (c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way.”

Instrument of proxy

Article 93 provides that “The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a Corporation either under its common seal or under the hand of its attorney duly authorized in writing Any person whether or not he is a member of the Company may be appointed as a proxy. The instrument appointing a proxy and Power of Attorney or other authority (if any) under which it is signed must be deposited at the registered office of the Company not less than forty eight hours prior to the time fixed for holding the meeting at which the person named in the instrument proposed to vote, or, in case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.”

Number of Directors

Article 97 provides that “Unless otherwise determined by the Company in the General Meeting, the number of Directors shall not be less than 3 (three) and not more than such number as may be stipulated by the Act for the time being in force.”

Additional Directors

Article 100 provides that “The Board of Directors shall have power at any time and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An additional Director so appointed shall hold office up to the date of the next Annual general Meeting of the Company and shall be eligible for re-election by the Company at that Meeting.”

Alternate Directors

Article 101 provides that “The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than 3 months from the state in which the meetings of the Board are ordinarily held. An Alternate Director so appointed shall vacate office if and when the original Director return to the state in which the meetings of the Board are ordinarily held. If the terms of the office of the original Director is determined before he so returns to the state aforesaid any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original and not to the Alternate Director.

Remuneration of Directors

Articles 102 provides that “Every Director other than the Managing Director and the Whole-time Director shall be paid a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him and shall be paid in addition thereto all traveling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of the Company or in connection with business of the Company to and from any place.

Subject to the provisions of the Act, in addition to the sitting fees referred to above, a Director other than the Managing Director and the Whole-time Director may be paid remuneration either:

- (i) by way of monthly, quarterly or annual payments, with the approval of the Central Government; or
- (ii) by way of commission, if the Company, by Special Resolution, authorizes such payment.”

Equal powers to Directors

Article 106 provides that “Except as otherwise provided in these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.”

Meetings of the Board

Article 117 provides that

- “(a) The Board of Directors shall meet at least once in every three calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year.
- (b) The Managing Director may, at any time summon a meeting of the Board and the Managing Director or a Secretary or a person authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.”

Quorum

Article 118 provides that “The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time, The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time.”

Powers to be exercised by Board only by Meeting

Article 135 provides that,

- “(a) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at the meeting of the Board:
 - (i) Power to make calls on shareholders in respect of moneys unpaid on their shares;
 - (ii) Power to issue debentures;

- (iii) Power to borrow money otherwise than on debentures:
 - (iv) Power to invest the funds of the Company;
 - (v) Power to make loans.
- (b) The Board of Directors may by a meeting delegate to any committee or the Directors or to the Managing Director the powers specified in sub clauses (iii), (iv) and (v) above.
 - (c) Every resolution delegating the power set out in sub clause (iii) above shall specify the total amount up to which moneys may be borrowed by the said delegate.
 - (d) Every resolution delegating the power referred to in sub-clause (iv) above shall specify the total amount, up to which the fund may be invested and the nature of the investments which may be made by the delegate.
 - (e) Every resolution delegating the power referred to in sub-clause (v) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

Managing Director(s) / Whole time Director(s)

Article 136 provides that

- “(a) The Board may from time to time, subject to the provisions of the Act and these Articles, appoint one or more of the Directors to the office of the Managing Director or whole-time Directors.
- (b) The Directors may from time to time resolve that there shall be either one or more Managing Directors or Whole time Directors.
- (c) In the event of any vacancy arising in the office of a Managing Director or Whole-time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.”

If a Managing Director or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/whole time Director.

Powers and duties of Managing Director or whole-time Director

Article 137 provides that “The Managing Director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board’s direction.”

Remuneration of Managing Directors / whole time Directors

Article 138 provides that “Subject to the provisions of the Act and subject to such sanction of Central Government/Financial Institutions as may be required for the purpose, the Managing Directors/whole-time Directors shall receive such remuneration (whether by way of salary commission or participation in profits or partly in one way and partly in another) as the Company in General Meeting may from time to time determine.”

Appointment of Manager

Article 141 provides that “Subject to the provisions of the Act and these Articles, the Board shall have the power to appoint from time to time any person as Manager of the Company upon such terms and conditions as the Board

deems fit and vest in such Manager such powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time revoke, withdraw, alter or vary all or any of the powers conferred on any Manager by the Board or by these presents. The remuneration payable to the Manager shall be determined by the Board.”

Right to dividend

Article 144 (a) provides that “The profits of the Company, subject to any special rights, relating thereto created or authorized to be created by these presents and subject to the provisions of the presents as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively and the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.”

Declaration of Dividend

Article 145 provides that “The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.”

Interim Dividend

Article 146 provides that “The Board may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the Company.”

Dividends to be paid out of profits

Article 147 provides that “No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 205 of the Act.”

Dividends not to bear interest

Article 153 provides that “No dividends shall bear interest against the Company.”

Transfer of shares not to pass prior to dividends

Article 154 provides that “Subject to the provisions of Section 206 A of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.”

Capitalization of Profits

Article 156 provides that “(a) The Company in General Meeting, may, on recommendation of the Board resolve:

- (i) That it is desirable to capitalize any part of the amount for the time being standing to the credit of the Company’s reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and
 - (ii) That such sum be accordingly set free for distribution in the manner specified in the sub-clause (ii) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- (b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:
- (i) Paying up any amounts for the time being unpaid on shares held by such members respectively
 - (ii) Paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

- (iii) Partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).”

Powers of Directors for declaration of bonus issue

Article 157 provides that “The Board shall have full power:

- (i) To make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and also
- (ii) To authorize any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members , credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to the capitalized of the amounts or any parts of the amounts remaining unpaid on the shares.”

Winding up

Article 175 provides that “Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application shall be distributed among the members according to their rights and interests in the Company.”

Division of assets of the Company in specie among members

Article 176 provides that “If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with sanction of a special resolution divide among the contributories in specie or kind any part of the assets of the Company and any with like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories of any of them, as the liquidators with the like sanction shall think fit, in case any share to be divided as aforesaid involve as liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing, direct the liquidators to sell his proportion and pay them the net proceeds, and the liquidators shall, if practicable, act accordingly.”

Director’s and other’s right to indemnity

Article 177 provides that:

- “(a) Subject to the provisions of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors, out of the funds of the Company to pay, all costs and losses and expenses (including traveling expenses) which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Officer or Employee or in any way in the discharge of his duties.
- (b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of the Company shall be indemnified against any liability incurred by them or in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Sec. 633 of the Act in which relief is given to him by the Court.”

Secrecy

Article 179 provides that “No member shall be entitled to inspect the Company’s works without the permission of the Managing Director or to require discovery of any information respectively any detail of the Company’s trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director it will be inexpedient in the interest of the members of the Company to communicate to the public.”

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered into or will be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our 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 have been attached to the copy of the Red Herring Prospectus delivered to the RoC for registration. Copies of the following 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 until the Bid/Issue Closing Date.

A. Material Contracts for the Issue

1. Engagement letter dated December 25, 2010 between our Company, the GCBRLMs and the BRLMs.
2. Issue Agreement dated June 29, 2011 between our Company, the GCBRLMs and the BRLMs.
3. Memorandum of Understanding dated November 4, 2010 between our Company and the Registrar to the Issue.
4. Escrow Agreement dated [●] between our Company, the GCBRLMs and the BRLMs, Syndicate Members, Escrow Collection Bank and the Registrar to the Issue.
5. Underwriting Agreement dated [●] between our Company, the GCBRLMs and the BRLMs, and the Syndicate Members.
6. Syndicate Agreement dated [●] between our Company, the GCBRLMs, the BRLMs and the Syndicate Members.
7. Agreement dated [●] between our Company and the Monitoring Agent.

B. Material Contracts of our Company

1. Concession agreement between AMNEPL and MADC dated November 7, 2007 and amendments and clarifications thereto.
2. Fuel supply agreement between CPL and Corporate Ispat dated March 11, 2009 and amendment agreements dated May 27, 2010 and September 29, 2010.
3. PPA between CPL and Lanco Power Trading Limited dated April 14, 2010.
4. Shareholders' agreement between MADC, Abhijeet Infrastructure Limited, our Company and AMNEPL dated April 2, 2009.
5. Shareholders' agreement between Manoj Jayaswal, Abhishek Jayaswal, Abhijeet Jayaswal, Sonal Jayaswal, our Company, Jayaswals Ashoka Infrastructure Private Limited, Jas Toll Road Company Limited, Corporate Ispat and CPL dated November 19, 2009 and amendatory shareholders' agreement dated September 24, 2010.
6. Shareholders' agreement between Manoj Jayaswal, Abhishek Jayaswal, Abhijeet Jayaswal, Vijay Jawaharlal Darda, Devendra Vijay Darda, Asera Banka Power Private Limited, JIPL and our Company dated October 29, 2010.
7. Agreement dated September 30, 2010 between our Company and Abhishek Jayaswal and the resolutions of our Board of Directors and our shareholders pertaining to the appointment of Abhishek Jayaswal as Managing Director of our Company.
8. Agreement dated November 3, 2010 between our Company and Manoj Jayaswal and the resolutions of our

Board of Directors and our shareholders, pertaining to the appointment of Manoj Jayaswal as a whole time Director of our Company.

9. Share subscription agreement between Abhijeet Mining Limited and our Company dated October 30, 2010.
10. Memoranda of understanding between the GoJ and Corporate Ispat dated March 26, 2004, January 22, 2007 and October 26, 2007.
11. Memorandum of understanding between Bihar State Electricity Board and JIPL dated October 17, 2007, addendums dated December 29, 2008 and letter dated January 29, 2010.
12. Joint venture agreement between CESC Limited and JIPL dated December 4, 2007.
13. Contract for supply between CPL and APRL dated December 17, 2009 and letters dated April 10, 2010, April 13, 2010, April 30, 2010, July 13, 2010 and September 30, 2010.
14. Contract for erection and commissioning services between CPL and APRL dated December 17, 2009 and letters dated April 10, 2010, April 13, 2010, April 30, 2010, July 13, 2010 and September 30, 2010.
15. Contract for civil and structural works between CPL and APRL dated December 17, 2009 and letters dated April 10, 2010, April 13, 2010, July 13, 2010 and September 30, 2010.
16. Contract for civil and structural works between JIPL and APRL dated December 13, 2010.
17. Contract for erection and commissioning between JIPL and APRL dated December 13, 2010 and amendment agreement dated December 24, 2010.
18. Contract for onshore supply between JIPL and APRL dated December 13, 2010.
19. Contract for offshore supply between JIPL and APRL dated December 13, 2010 and amendment agreement dated April 1, 2011.
20. Letter of assurance dated September 4, 2010 issued by Central Coalfields to CPL assuring supply of coal.
21. Lease deeds between MADDC and AMNEPL dated June 16, 2010 and November 26, 2008.
22. Common loan agreement between CPL, Allahabad Bank, Andhra Bank, India Infrastructure Finance Company Limited, Indian Bank, Rural Electrification Corporation Limited, State Bank of Hyderabad, State Bank of India, State Bank of Patiala and Union Bank of India dated December 5, 2009 for an amount of ₹ 20,300 million for 540 MW of the Chandwa Power Project.
23. Common loan agreement between State Bank of India, SBICap Trustee Company Limited and CPL dated March 28, 2011, as amended on May 13, 2011. Deeds of accession and novation deeds dated May 13, 2011 executed by LIC, PNB, SBBJ, SBP and SBT pursuant to which these banks were added as new lenders, by which they are entitled to the rights and are bound by the obligations as set out in the common loan agreement, as amended.
24. Underwriting Agreement dated May 13, 2011 between CPL and SBI, for underwriting the balance debt component for the latter two units of the Chandwa Power Project.
25. Subordinate loan agreement between CPL, Rural Electrification Corporation Limited, State Bank of India and Rural Electrification Corporation Limited (as lender's agent and security trustee) dated March 23, 2010 for an amount of ₹ 1,450 million for 540 MW of the Chandwa Power Project.
26. Four trademark license agreements between Abhijeet Vision Limited and our Company, Abhijeet MADDC Nagpur Energy Private Limited, Corporate Power Limited and Jas Infrastructure and Power Limited, each

dated November 26, 2010.

C. Material Documents of the Company

1. Composite Scheme of Arrangement between APRL, AINL, our Company and their respective shareholders' under section 391 – 394 of the Companies Act, and the order of the High Court of Calcutta dated August 25, 2010 sanctioning the same.
2. Sanction letter dated September 14, 2010 issued by Axis Bank Limited for underwriting a rupee term loan of ₹ 44,400 million and arranging for a balance debt of ₹ 14,800 million in respect of the Banka Power Project.
3. Sanction letter dated September 14, 2010 issued by UCO Bank for underwriting a rupee term loan of ₹ 14,800 million and acting as co-arranger for the debt amount of ₹ 59,200 million in respect of the Banka Power Project.
4. Sanction letter dated September 29, 2010 issued by the Punjab National Bank for underwriting a rupee term loan of ₹ 14,800 million jointly with Axis Bank Limited.
5. Sanction letter dated January 12, 2011 between by Axis Bank Limited to JIPL for letter of credit facility of ₹ 29,600 million with a sub-limit for 5,000 million for bank guarantee.
6. Sanction Letter dated, January 19, 2011 issued India Infrastructure Finance Company Limited to JIPL for a term loan for ₹ 5,250 million.
7. In principle sanction letter, dated March 31, 2011 issued by Housing and Urban Development Corporation Limited to JIPL for a term loan of ₹ 5,000 million.
8. Information memorandum dated January 2009 by SBI Capital Markets Limited for the first two units aggregating to 540 MW for the Chandwa Power Project.
9. Information memorandum dated September 2010 by SBI Capital Markets Limited for the latter two units aggregating to 540 MW for the Chandwa Power Project.
10. Project appraisal memorandum dated October 2010 by Axis Bank Limited, Punjab National Bank and UCO Bank, in their capacity as mandated lead arrangers, for the Banka Power Project.
11. Letter dated October 20, 2010 by Lahmeyer International (India) Limited, the lenders independent engineer.
12. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.
13. Certificate of incorporation dated July 16, 2002, certificate of incorporation consequent upon conversion into a public limited company dated October 27, 2010
14. Fresh certificate of incorporation consequent upon change of name dated November 3, 2010.
15. Resolution of the Board of Directors dated November 3, 2010 in relation to this Issue and other related matters.
16. Shareholders' resolution dated November 25, 2010 in relation to this Issue and other related matters.
17. The examination reports of the statutory auditor Chaturvedi Sohan & Co., Chartered Accountants, on our restated financial information, included in this Draft Red Herring Prospectus.

18. Copies of the annual reports of our Company for the last five financial years.
19. 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.
20. The Statement of Tax Benefits dated May 5, 2011 from our Company's statutory auditors.
21. Consent of our Directors, the GCBRLMs, the BRLMs, the Syndicate Members, Domestic Legal Counsel to our 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 our Company, Company Secretary and Compliance Officer as referred to in their specific capacities.
22. Certificate dated May 28, 2011 issued by the Auditors of our Company in relation to the Objects of the Issue.
23. Due Diligence Certificate dated June 29, 2011 addressed to SEBI from the GCBRLMs and the BRLMs.
24. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.
25. Tripartite Agreement dated October 4, 2010 between our Company, NSDL and the Registrar to the Issue.
26. Tripartite Agreement dated September 27, 2010 between our Company, CDSL and the Registrar to the Issue.
27. IPO grading report dated [●] by [●].
28. Observation letter no. [●] dated [●] issued by SEBI and reply to the same dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

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 OUR COMPANY

Manoj Jayaswal
(Chairman, Executive Director)

Abhishek Jayaswal
(Managing Director)

Abhijeet Jayaswal
(Non-Executive Director)

K. Ravi Kumar
(Non-Executive Director)

T. S. Bhattacharya
(Independent Director)

M. L. Bhakta
(Independent Director)

P. P. Sharma
(Independent Director)

K. B. Dubey
(Independent Director)

Date: June 29, 2011

Rajesh Tulsiani
(Chief Financial Officer)

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