



DRAFT RED HERRING PROSPECTUS

Dated June 21, 2010

Please read section 60B of the Companies Act, 1956
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)

Book Built Issue

IND-BARATH POWER INFRA LIMITED

Our Company was originally incorporated as a private limited company on February 17, 1995 with the name Kanumuri Holdings Private Limited, under the provisions of the Companies Act, 1956. Subsequently, by a fresh certificate of incorporation from the Registrar of Companies dated October 18, 2006, our name was changed to Ind-Barath Power Infra Private Limited. Our Company was converted into a public limited company on May 28, 2008 with the name Ind-Barath Power Infra Limited and received a fresh certificate of incorporation consequent upon change in status on May 29, 2008 from the Registrar of Companies. For details of changes to the registered office of our Company, please refer to the section titled "History and Certain Corporate Matters" on page 214.

Registered and Corporate Office: Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033, India

Tel: (91 40) 2355 3459; Fax: (91 40) 2355 3462; Website: www.ibpil.com; Email: investors@ibpil.com

Company Secretary and Compliance Officer: Dr. P.V.S. Jagan Mohan Rao; Tel: (91 40) 2355 3459; Fax: (91 40) 2355 3462; Email: jagan@ibpil.com

PROMOTERS OF OUR COMPANY: K. RAGHU RAMAKRISHNA RAJU, K. RAMA DEVI AND SRIBA SEABASE PRIVATE LIMITED

PUBLIC ISSUE OF EQUITY SHARES OF RS. 10.00 EACH OF IND-BARATH POWER INFRA LIMITED ("COMPANY OR "THE ISSUER") FOR CASH AT A PRICE OF RS. PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. PER EQUITY SHARE) AGGREGATING TO RS. MILLION ("ISSUE") COMPRISING OF A FRESH ISSUE OF UP TO EQUITY SHARES BY THE COMPANY AGGREGATING UP TO RS. 11,400.00 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 6,465,148 EQUITY SHARES BY CVCIGP II CLIENT ROSEHILL LIMITED, CVCIGP II EMPLOYEE ROSEHILL LIMITED, GAUTAM NAYAK AND KESHAV BHUJLE (AS TRUSTEES OF THE FOLLOWING TRUSTS NAMEDLY: CVCIGP II VIVEK CHHACHHI TRUST, CVCIGP II VINAYAK SHENVI TRUST, CVCIGP II P.R. SRINIVASAN TRUST, CVCIGP II AJAY RELAN TRUST, CVCIGP II JAYANTA KUMAR BASU TRUST (TOGETHER, REFERRED TO AS "CVCII") "CVCII SELLING SHAREHOLDERS"), UP TO 1,000,000 EQUITY SHARES BY UNIT TRUST OF INDIA INVESTMENT ADVISORY SERVICES LIMITED A/C ASCENT INDIA FUND ("UTI") AND UP TO 1,300,000 EQUITY SHARES BY SRIBA SEABASE PRIVATE LIMITED (CVCII, UTI AND SRIBA SEABASE PRIVATE LIMITED, TOGETHER REFERRED TO AS, "SELLING SHAREHOLDERS"). THE ISSUE WILL CONSTITUTE 0% OF THE FULLY DILUTED POST ISSUE PAID-UP SHARE CAPITAL OF OUR COMPANY.#

Our Company is also considering a Pre-IPO Placement of up to 2,900,000 Equity Shares and aggregating up to Rs. 1,700.00 million with various investors ("Pre-IPO Placement"). The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance and allotment of such Equity Shares prior to the filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Fresh Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue paid-up capital being offered to the public.

PRICE BAND: RS. TO RS. PER EQUITY SHARE OF FACE VALUE OF RS. 10.00 EACH

THE FLOOR PRICE IS TIMES THE FACE VALUE AND THE CAP PRICE IS TIMES THE FACE VALUE

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

This Issue is being made for less than 25% of the post-Issue capital pursuant to Rule 19(2)(b)(ii) of the Securities Contracts (Regulation) Rules, 1957 read with Regulation 41(1) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"). The Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations. Further, this Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation to Qualified Institutional Buyers ("QIBs") on a proportionate basis out of which 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Our Company may allocate up to 30% of the QIB Portion to the Anchor Investors on a discretionary basis. One third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price.

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of the Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10.00. The Floor Price is times of the face value and the Cap Price is times the face value. The Issue Price (has been determined and justified by the Issuer, the Selling Shareholders, the BRLMs as stated in the section titled "Basis for Issue Price" on page 108) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire 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 the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 13.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

IPO GRADING

This Issue has been graded by ICRA Limited and has been assigned the "IPO Grade /5" indicating , in its letter dated , 2010. The IPO grading is assigned on a five point scale from 1 to 5 with "IPO Grade 5/5" indicating strong fundamentals and "IPO Grade 1/5" indicating poor fundamentals. For more information, please refer to the section titled "General Information" on page 61.

LISTING ARRANGEMENT

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the NSE and the BSE. Our Company has received the in-principle approval from the NSE and the BSE for the listing of the Equity Shares pursuant to letters dated , 2010 and , 2010 respectively. For the purposes of this Issue, shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

 **JM FINANCIAL**
JM FINANCIAL CONSULTANTS PRIVATE LIMITED
 141, Maker Chambers III
 Nariman Point, Mumbai 400 021, India
 Tel: (91 22) 6630 3030/3953 3030
 Fax: (91 22) 2204 7185
 Email: ibpil.ipo@jmfincial.in
 Investor Grievance ID: grievance.ibd@jmfincial.in
 Website: www.jmfincial.in
 Contact person: Lakshmi Lakshmanan
 SEBI Registration No.: INM000010361

 **MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED**
 113/114, 11th Floor, Bajaj Bhawan, Nariman Point
 Mumbai 400 021, India
 Tel: (91 22) 3980 4380; Fax: (91 22) 3980 4315
 Email: ibpil.ipo@motilaloswal.com
 Investor Grievance ID: moaipdressal@motilaloswal.com
 Website: www.motilaloswal.com
 Contact person: Rupesh Khant
 SEBI Registration No.: INM000011005

BofA Merrill Lynch

DSP MERRILL LYNCH LIMITED
 10th Floor, Mafatal Centre
 Nariman Point, Mumbai 400 021, India
 Tel: (91 22) 6632 8761
 Fax: (91 22) 2204 8518
 Email: ibpil.ipo@baml.com
 Investor Grievance ID: India_merchantbanking@ml.com
 Website: www.dspml.com
 Contact person: N. S. Shekhar
 SEBI Registration No.: INM000011625

BOOK RUNNING LEAD MANAGERS

 **IDFC**
IDFC CAPITAL LIMITED
 Naman Chambers, C-32, G Block
 Bandra Kurla Complex, Bandra (East)
 Mumbai 400 051, India
 Tel: (91 22) 6622 2600; Fax: (91 22) 6622 2501
 Email: ibpil.ipo@idfc.com
 Investor Grievance ID: complaints@idfc.com
 Website: www.idfccapital.com
 Contact person: Cyril Paul
 SEBI Registration No.: INM000011336

 **AVENDUS**
 the next level is the only level
AVENDUS CAPITAL PRIVATE LIMITED
 IL&FS Financial Centre B, Quadrant,
 5th Floor, Bandra Kurla Complex, Bandra (East),
 Mumbai 400 051, India
 Tel: (91 22) 6648 0050; Fax: (91 22) 6648 0040
 Email: ibpil.ipo@avendus.com
 Investor Grievance ID: investor grievance@avendus.com
 Website: www.avendus.com
 Contact person: Rashmi Malik
 SEBI Registration No.: INM000011021

REGISTRAR TO THE ISSUE

 **KARVY**
 Karvy Computershare Private Limited
KARVY COMPUTERSHARE PRIVATE LIMITED
 Plot nos.17-24, Vittal Rao Nagar,
 Madhapur
 Hyderabad 500 081, India
 Tel: (91 40) 4465 5000; Fax: (91 40) 2343 1551
 Toll Free: 1 800 345 4001
 Email: indbarath.ipo@karvy.com
 Website: www.karisma.karvy.com
 Contact person: Murali Krishna
 SEBI Registration No.: INR000000221

BID/ISSUE PROGRAM

BID/ISSUE OPENS ON

BID/ISSUE CLOSES ON

Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date

TABLE OF CONTENTS

SECTION I: GENERAL	2
DEFINITIONS AND ABBREVIATIONS	2
CERTAIN CONVENTIONS - PRESENTATION OF FINANCIALS, INDUSTRY AND MARKET DATA	10
FORWARD-LOOKING STATEMENTS.....	12
SECTION II: RISK FACTORS	13
SECTION III: INTRODUCTION	43
SUMMARY OF OUR INDUSTRY	43
SUMMARY OF OUR BUSINESS	46
THE ISSUE	51
SUMMARY FINANCIAL INFORMATION	53
GENERAL INFORMATION	61
CAPITAL STRUCTURE	72
OBJECTS OF THE ISSUE.....	93
BASIS FOR ISSUE PRICE.....	108
STATEMENT OF TAX BENEFITS.....	111
SECTION IV: ABOUT US	124
INDUSTRY OVERVIEW	124
OUR BUSINESS	139
DESCRIPTION OF CERTAIN KEY CONTRACTS	175
REGULATIONS AND POLICIES IN INDIA	201
HISTORY AND CERTAIN CORPORATE MATTERS	214
OUR SUBSIDIARIES	225
OUR MANAGEMENT	239
OUR PROMOTERS AND GROUP COMPANIES	256
DIVIDEND POLICY.....	269
SECTION V: FINANCIAL INFORMATION	270
FINANCIAL STATEMENTS.....	270
SUMMARY FINANCIAL STATEMENTS OF CERTAIN SUBSIDIARIES	347
FINANCIAL INDEBTEDNESS	356
SECTION VI MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	392
SECTION VII: LEGAL AND OTHER INFORMATION	413
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS.....	413
GOVERNMENT AND OTHER APPROVALS.....	424
SECTION VIII: OTHER REGULATORY AND STATUTORY DISCLOSURES	441
SECTION IX: ISSUE INFORMATION	451
TERMS OF THE ISSUE	451
SECTION X: ISSUE STRUCTURE	455
ISSUE PROCEDURE.....	459
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES.....	498
SECTION XI: MAIN PROVISIONS OF OUR ARTICLES OF ASSOCIATION	499
SECTION XII: OTHER INFORMATION	528
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	528
DECLARATION	531
ANNEXURE.....	535

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise implies or requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Term	Description
“We”, “us”, “our”	Unless the context otherwise indicates or implies, refers to Ind-Barath Power Infra Limited and its Subsidiaries and Associates on a consolidated basis.
the “Issuer” and our “Company”	Refers to Ind-Barath Power Infra Limited, on a stand alone basis.

Company related terms

Term	Description
AERL	Arkay Energy (Rameswaram) Limited.
Articles / Articles of Association	The articles of association of our Company, as amended.
Auditors	The auditors of our Company, M/s. B S R & Co, Chartered Accountants.
Audit Committee	A committee constituted by the Board pursuant to a resolution passed by the Board dated May 06, 2010.
Bessemer	Bessemer Venture Partners Trust.
Board/Board of Directors	The board of directors of our Company as constituted from time to time, including any committees thereof.
Class A Preference Shares	0.01%, compulsorily convertible participatory cumulative Preference Shares of Rs. 1,000.00 each.
Class B Preference Shares	0.001%, compulsorily convertible participatory cumulative Preference Shares of Rs. 100.00 each.
Corporate Office	Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033, India.
Compensation Committee	A committee constituted by the Board pursuant to a resolution of the Board dated May 06, 2010.
Convertible Securities	Collectively, the Class A Preference Shares, Class B Preference Shares and the Promoter Warrants.
CVCI/CVCI Selling Shareholders	Collectively, CVCIGP II Client Rosehill Limited, CVCIGP II Employee Rosehill Limited, Gautam Nayak and Keshav Bhujle (as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust).
CVCI Agreement	Investment Agreement dated June 03, 2007 between our Company, K. Raghu Ramakrishna Raju, K. Rama Devi, Marubhoomi Consultants Private Limited, Silicon Valley Infotech Limited, Toplight Tradelinks Private Limited, Noble Power Private Limited, Network Power Private Limited, Boston Teknowsys (India) Limited, K. Rama Chandra Rao, NATL Technologies Limited, Jasper Industries Private Limited, Vamsi Industries Limited, B. Rama Krishna, Chintalapati Holdings Private Limited, Deccan Cigarette Centre Private Limited, Bhaskara Transport Private Limited, Sriba Seabase Private Limited, CVCIGP II Client Rosehill Limited, CVCIGP II Employee Rosehill Limited and Gautam Nayak and Keshav Bhujle (as trustees of CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust, CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust and CVCIGP II PR Srinivasan Trust).
CVCI Investors	CVCIGP II Client Ebene Limited, CVCIGP II Employee Ebene Limited, CVCIGP II Client Rosehill Limited, CVCIGP II Employee Rosehill Limited, Gautam Nayak and Keshav Bhujle (as trustees of CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust), Gautam Nayak and Keshav Bhujle (as trustees of CVCIGP II Vivek Chhachhi Trust, CVCIGP II Ajay Tandon Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Siva Shankar Trust, CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust).
CVCI Series I Investors	CVCIGP II Client Rosehill Limited, CVCIGP II Employee Rosehill Limited, Gautam Nayak and Keshav Bhujle (acting as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust).
CVCI Series II Investors	CVCIGP II Client Ebene Limited, CVCIGP II Employee Ebene Limited, Gautam Nayak and Keshav Bhujle (acting as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Ajay Tandon Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Siva Shankar Trust).
DHPL	Dharmshala Hydro Power Limited.
Director(s)	Director(s) on the Board of our Company, as appointed from time to time.

ESOP Scheme	The employee stock option plan approved by the shareholders of our Company at the EGM held on May 10, 2010 and subsequently adopted by the Board by resolution dated May 15, 2010 of the Compensation Committee. Under the ESOP Scheme, adopted for the benefit of employees eligible under the plan, a total of 1,245,122 options were earmarked. As on the date of this Draft Red Herring Prospectus, 582,860 options have been granted under the ESOP Scheme.
Investment Agreement	Collectively, the (i) Investment agreement dated October 21, 2009; (ii) Side Agreement dated October 21, 2009; (iii) Amendment Agreement dated October 26, 2009, each between our Company, K. Raghu Ramakrishna Raju, K. Rama Devi, Marubhoomi Consultants Private Limited, Silicon Valley Infotech Limited, Toplight Tradelinks Private Limited, Noble Power Private Limited, Network Power Private Limited, Boston Teknowsys (India) Limited, K. Rama Chandra Rao, NATL Technologies Limited, Jasper Industries Private Limited, Vamsi Industries Limited, B. Rama Krishna, Chintalapati Holdings Private Limited, Deccan Cigarette Centre Private Limited, Bhaskara Transport Private Limited, Sriba Seabase Private Limited, Sequoia, Bessemer, CVC Investors and UTI; (iv) Amendment Agreement dated May 31, 2010 between our Company, K. Raghu Ramakrishna Raju, K. Rama Devi, Sriba Seabase Private Limited, K. Bharath, Nethu Soft Private Limited, NTC Advisors Private Limited, Fouress Consultants Private Limited, Sequoia, Bessemer, CVC Investors and UTI; (v) Waiver letters dated June 07, 2010 executed by each of CVCIGP II Client Ebene Limited, CVCIGP II Employee Ebene Limited, CVCIGP II Client Rosehill Limited and CVCIGP II Employee Rosehill Limited; (vi) Waiver letter dated June 05, 2010 executed by Gautam Nayak and Keshav Bhujle (as trustees of CVCIGP II Vivek Chhachhi Trust, CVCIGP II Ajay Tandon Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Siva Shankar Trust, CVCIGP II Ajay Relan Trust and CVCIGP II Jayanta Kumar Basu Trust); (vii) Waiver letter dated June 16, 2010 executed by Sequoia; (viii) Waiver letter dated June 16, 2010 executed by Bessemer; (ix) Waiver letter dated June 16, 2010 executed by UTI, (x) Deed of Adherence dated May 20, 2010 executed between our Company, Noble Power Private Limited, Boston Teknowsys (India) Limited, Ind-Barath Commodities Limited, Vamsi Industries Limited, Sriba Seabase Private Limited, K. Raghu Ramakrishna Raju, K. Rama Devi, Sequoia, Bessemer, CVC Investors, UTI, K. Bharath, Nethu Soft Private Limited, NTC Advisors Private Limited and Fouress Consultants Private Limited, (xi) Release letters dated May 20, 2010 issued by each of Network Power Private Limited, Chintalapati Holdings Private Limited, Bhaskara Transport Private Limited, B. Rama Krishna, Deccan Cigarette Centre Private Limited, K. Rama Chandra Rao, Marubhoomi Consultants Private Limited, Noble Power Private Limited, Silicon Valley Infotech Limited, Toplight Tradelinks Private Limited, Vamsi Industries Limited, Ind-Barath Commodities Limited and Boston Teknowsys (India) Limited.
Group Companies	Companies, firms, ventures, etc. promoted by the Promoters of the Issuer, irrespective of whether such entities are covered under section 370 (1)(B) of the Companies Act, as enumerated in the section titled "Our Promoters and Group Companies" on page 256.
IBEL	Ind-Barath Energies Limited.
IBECL	Ind-Barath Energies (Chattisgarh) Limited.
IBEML	Ind-Barath Energies (Maharashtra) Limited.
IBETL	Ind-Barath Energies (Thoothukkudi) Limited.
IBEUL	Ind-Barath Energy (Utkal) Limited.
IBPGL	Ind-Barath Power Gencom Limited.
IBPML	Ind-Barath Power (Madras) Limited.
IBTPL	Ind-Barath Thermal Power Limited.
Key Management Personnel	The officers vested with executive powers and the officers at the level immediately below the Board of Directors of the Issuer and other persons whom the Issuer has declared as a key management personnel and as enumerated in the section titled "Our Management", on page 239.
Maujhi I Project	4.5 MW hydro electric power plant at Kangra District, Himachal Pradesh.
Maujhi II Project	5 MW hydro electric project at Kangra District, Himachal Pradesh.
Memorandum/Memorandum of Association	The memorandum of association of our Company, as amended.
Promoter(s)	The promoters of our Company namely K. Raghu Ramakrishna Raju, K. Rama Devi and Sriba Seabase Private Limited.
Promoter Group	Includes such persons and entities constituting our promoter group pursuant to Regulation 2(zb) of the SEBI ICDR Regulations.
Promoter Warrants	Collectively refers to the following: (i) 100,000 convertible warrants issued to Sriba Seabase Private Limited pursuant to the terms of the Investment Agreement and in terms of the resolutions of the Board dated November 09, 2009 (as modified by resolution of the Board dated May 06, 2010) and May 15, 2010 and resolution of the shareholders of our Company dated May 10, 2010, with an option to subscribe up to minimum of 2,265,641 Equity Shares and a maximum of 2,728,076 Equity Shares of Rs. 10.00 each, in accordance with the terms and conditions provided in the section "Capital Structure-Terms and conditions for conversion of Convertible Securities", on page 79; and (ii) 100,000 convertible warrants issued to K. Raghu Ramakrishna Raju pursuant to the resolutions of the Board dated November 09, 2009 (as modified by resolution of the Board dated May 06, 2010) and May 15, 2010 and resolution of the shareholders of our Company dated May 10, 2010, with an option to subscribe up to minimum of 1,551,093 Equity Shares and a maximum of 3,816,735 Equity Shares of Rs. 10.00 each, in accordance with the terms and conditions provided in the section "Capital Structure-Terms and conditions for conversion of Convertible Securities", on page 79.
Registered Office	Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033, India.
RRREL	Raghu Rama Renewable Energy Limited.

Selling Shareholders	CVCI Selling Shareholders, UTI and Sriba Seabase Private Limited who are offering for sale up to 6,465,148 Equity Shares, up to 1,000,000 Equity Shares and up to 1,300,000 Equity Shares respectively, as part of the Issue.
Sequoia	Sequoia Capital India Growth Investment Holdings II.
Series I Investors	CVCIGP II Client Rosehill Limited, CVCIGP II Employee Rosehill Limited, Gautam Nayak and Keshav Bhujle (acting as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust) and UTI.
Series II Investors	Sequoia, Bessemer, CVCIGP II Client Ebene Limited, CVCIGP II Employee Ebene Limited, Gautam Nayak and Keshav Bhujle (acting as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Ajay Tandon Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Siva Shankar Trust).
Shareholders'/Investors' Grievance Committee	A committee constituted by the Board pursuant to a resolution of the Board dated May 06, 2010.
Subsidiary / Subsidiaries	The subsidiaries of our Company listed in the section titled "Our Subsidiaries" on page 225.
UTI	UTI Venture Funds Management Company Private Limited (in the capacity of duly appointed manager of Unit Trust of India Investment Advisory Services Limited A/C Ascent India Fund).
UTI Agreement	Investment Agreement dated July 12, 2007 between our Company, K. Raghu Ramakrishna Raju, K. Rama Devi, Marubhoomi Consultants Private Limited, Silicon Valley Infotech Limited, Toplight Tradelinks Private Limited, Noble Power Private Limited, Network Power Private Limited, Boston Teknowsys(India) Limited, K. Rama Chandra Rao, NATL Technologies Limited, Jasper Industries Private Limited, Vamsi Industries Limited, B. Rama Krishna, Chintalapati Holdings Private Limited, Deccan Cigarette Centre Private Limited, Bhaskara Transport Private Limited, Sriba Seabase Private Limited and UTI Venture Funds Management Company Private Limited (in the capacity of duly appointed manager of Unit Trust of India Investment Advisory Services Limited A/C Ascent India Fund).

Issue related terms

Term	Description
Allotment/Allot/Allotted	The issue and allotment of the Equity Shares, pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale.
Allottee	The successful Bidder to whom an Allotment has been made.
Anchor Investor	A Qualified Institutional Buyer who applies under the Anchor Investor Portion with a minimum Bid of Rs. 100.00 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated in terms of the Red Herring Prospectus and Prospectus to the Anchor Investors, which will be decided by our Company in consultation with the BRLMs prior to the Bid Opening Date.
Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Issue Opening Date, prior to or after which the BRLMs will not accept any Bids from Anchor Investors.
AI CAN/ Anchor Investor Confirmation of Allocation Note	In relation to Anchor Investors, the note or advice or intimation of allocation of the Equity Shares sent to the successful Anchor Investors who have been allocated the Equity Shares after discovery of the Anchor Investor Allocation Price, including any revisions thereof.
Anchor Investor Portion	Up to 30% of the QIB Portion, which may be allocated to Anchor Investors by our Company in consultation with the BRLMs, on a discretionary basis.
Anchor Investor Issue Price	The final price at which Allotment is made to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Issue Price but not higher than the Cap Price.
ASBA / Application Supported by Blocked Amount	Application supported by blocked amount, i.e., the application (whether physical or electronic) used by an ASBA Bidder to Bid, authorises an SCSB to block the Bid Amount in their specified bank account with such SCSB.
ASBA Account	Account maintained with SCSB which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder.
ASBA Bid	Bid made by an ASBA Bidder.
ASBA Bidders	Any Bidder, who intends to Bid/apply through the ASBA process.
ASBA Form	The application form (whether physical or electronic) in terms of which an ASBA Bidder can make an ASBA Bid and which contains an authorisation to block the Bid Amount in an ASBA Account and which will be considered an application for Allotment, for the purposes of the Red Herring Prospectus.
ASBA Revision Form	The form used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Forms or any previous revision form(s).
Aventus	Aventus Capital Private Limited.
Banker(s) to the Issue	•
Basis of Allotment	The basis on which the Equity Shares will be Allotted to Bidders under the Issue and which is described in "Issue Procedure – Basis of Allotment" on page 482.
Bid	An indication to make an offer during the Bidding/Issue Period by a Bidder (other than an ASBA Bidder or an Anchor Investor) or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form or the ASBA Form, as the case may be and payable by the Bidder at the time of submission of such Bidder's Bid in the Issue.

Term	Description
Bid/Issue Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate and the SCSBs will not accept any Bids for the Issue, which shall be notified in an English national newspaper, a Hindi national newspaper and a Telugu newspaper, each with wide circulation in the place where our Registered Office is situated. However, the Company and the Selling Shareholders may decide, in consultation with the BRLMs, to close the bidding by QIBs (including QIBs bidding through ASBA) one day prior to the closure of the Issue, provided that the Bidding shall be kept open for a minimum of three days for all categories of Bidders.
Bid/Issue Opening Date	Except in relation to 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 Telugu newspaper, each with wide circulation in the place where our Registered Office is situated.
Bid cum Application Form	The form used by a Bidder other than an ASBA Bidder to make a Bid and which will be considered an application for Allotment for the purposes of the Red Herring Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and Prospectus and the Bid cum Application Form or the ASBA Form, as the case may be, including an ASBA Bidder and an Anchor Investor.
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof.
Book Building Process	Book building process as provided in Schedule XI of SEBI ICDR Regulations, in terms of which this Issue is being made.
BRLMs / Book Running Lead Managers	The book running lead managers to the Issue, being JM Financial, Motilal Oswal, DSPML, IDFC Capital and Avendus.
Business Day/Working Day	Any day other than Sunday on which commercial banks in Hyderabad, India, are open for business.
CAN/ Confirmation of Allotment Note	Except in relation to Anchor Investors, the note or advice or intimation of Allotment of the Equity Shares sent to the Bidders who have been or are to be Allotted the Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revision thereof.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Controlling Branches	Such branches of the SCSBs which coordinate Bids under this Issue by the ASBA Bidders with the BRLMs, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in .
Cut-off Price	The Issue Price finalised by the Company and the Selling Shareholders in consultation with the BRLMs which shall be any price within the Price Band. Only Retail Individual Bidders whose Bid Amount does not exceed Rs. 100,000.00 are entitled to Bid at the Cut-Off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-Off Price.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
Designated Branches	Branches of the SCSBs which can collect ASBA Forms from the ASBA Bidders, a list of which is available on http://www.sebi.gov.in .
Designated Date	The date on which the Escrow Collection Bank(s) transfer the funds from the Escrow Account to the Public Issue Account and the Refund Account and the SCSBs transfer the amounts blocked in the ASBA Accounts to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot the Equity Shares and the Selling Shareholders shall give delivery instructions for transfer of Equity Shares constituting Offer for Sale to successful Bidders.
Designated Stock Exchange	•
Draft Red Herring Prospectus	This draft red herring prospectus dated June 21, 2010 filed with SEBI and issued in accordance with Section 60B of the Companies Act and the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares are offered.
DSPML	DSP Merrill Lynch Limited.
Eligible NRI	An NRI from a jurisdiction outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Equity Shares	Equity shares of our Company, each having a face value of Rs. 10.00.
Escrow Accounts	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	An agreement to be entered into by and amongst our Company, the Selling Shareholders, the Registrar to the Issue, the BRLMs, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker(s) to the Issue with whom the Escrow Account will be opened, comprising •.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form, Revision Form, the ASBA Form or the ASBA Revision Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted.
Fresh Issue	The issue of up to • Equity Shares offered for subscription pursuant to the terms of the Red Herring Prospectus.

Term	Description
Gross Proceeds	The Proceeds of the Issue less the amount to be raised with respect to the Offer for sale by the Selling Shareholders.
IDFC Capital	IDFC Capital Limited.
IPO Grading Agency	ICRA Limited.
Issue	Public issue of up to • Equity Shares of Rs. 10.00 each for cash at a price of Rs. • per Equity Share (including a share premium of Rs. • per Equity Share) aggregating to Rs. • million consisting of a Fresh Issue of up to • Equity Shares aggregating to Rs. 11,400.00 million by the Company and an Offer for Sale of up to 8,765,148 Equity Shares by the Selling Shareholders. Our Company is also considering a Pre-IPO Placement of up to 2,900,000 Equity Shares and aggregating up to Rs. 1,700.00 million, with various investors. The Pre-IPO placement is at the discretion of our Company. Our Company will complete the issuance and allotment of such Equity Shares prior to the filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue paid-up capital being offered to the public.
Issue Agreement	The agreement entered into on June 18, 2010 between our Company, the Selling Shareholders and the BRLMs.
Issue Price	The final price at which the Equity Shares will be Allotted in the Issue, which be decided by our Company and the Selling Shareholders, in consultation with the BRLMs on the Pricing Date.
Issue Size	Issue Price multiplied by the number of Equity Shares offered to the public.
Issue Proceeds	The proceeds of this Issue that are available to our Company and the Selling Shareholders.
JM Financial	JM Financial Consultants Private Limited.
Managers	The BRLMs.
Monitoring Agency	UCO Bank
Motilal Oswal	Motilal Oswal Investment Advisors Private Limited.
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion	5% of the Net QIB Portion or at least • Equity Shares available for allocation to Mutual Funds from the Net QIB Portion.
Net Proceeds	The Gross Proceeds less the Company's share of the Issue expenses. For further information on the use of Gross Proceeds and Issue expenses, please refer to the section titled "Objects of the Issue" on page 93.
Net QIB Portion	The portion of the QIB Portion, less the number of the Equity Shares Allotted to the Anchor Investors.
Non Institutional Bidders	All Bidders, including sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, that are not QIBs (including Anchor Investors) or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000.00.
Non Institutional Portion	The portion of the Issue being not less than 15% of the Issue consisting of • Equity Shares of the Issue available for allocation to Non Institutional Bidders.
Pay-in Date	With respect to the Anchor Investors, be a date not later than two Working Days after the Bid Issue Closing Date.
Pre-IPO Placement	A pre-placement of Equity Shares to various investors to be made by our Company prior to the filing of the Red Herring Prospectus with the RoC.
Price Band	Price band of a minimum price (Floor Price) and the maximum price (Cap Price) and includes revisions thereof including any revision to such Floor Price or Cap Price as may be permitted by the SEBI ICDR Regulations. The Price Band and the minimum Bid lot size for the Issue will be decided by the Company and the Selling Shareholders in consultation with the BRLMs and advertised in in an English national newspaper, a Hindi national newspaper and a Telugu newspaper, each with wide circulation in the place where our Registered Office is situated, at least two Working Days prior to the Bid/Issue Opening Date.
Pricing Date	The date on which our Company and the Selling Shareholders, in consultation with the BRLMs, finalises the Issue Price.
Prospectus	The Prospectus to be filed with the RoC in terms of 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 and including any corrigendum thereof.
Public Issue Account	Account opened with the Banker(s) to the Issue to receive monies from the Escrow Accounts on the Designated Date and where the funds shall be transferred by the SCSBs from the ASBA Accounts.
QIBs or Qualified Institutional Buyers	Public financial institutions as specified in Section 4A of the Companies Act, FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250.00 million and pension funds with minimum corpus of Rs. 250.00 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India and insurance funds set up and managed by army, navy or air force of the Union of India.
QIB Portion	The portion of the Issue being not more than • Equity Shares of Rs. 10 each available for allocation to QIB Bidders.
Refund Account(s)	The account(s) opened with the Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Bidders shall be made to Bidders (excluding ASBA Bidders).

Term	Description
Refund Banker	•
Registrar to the Issue	Karvy Computershare Private Limited.
Retail Individual Bidder(s)	Individual Bidders (including HUFs and NRIs) who have Bid for the Equity Shares of an aggregate amount less than Rs. 100,000.00.
Retail Portion	The portion of the Issue being not less than 35% of the Issue consisting of • Equity Shares available for allocation to Retail Individual Bidders.
Revision Form	The form used by Bidders, excluding ASBA Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s).
RHP or Red Herring Prospectus	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three (3) days before the Bid Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date.
Self Certified Syndicate Bank / SCSB	Banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers ASBA services, including blocking of bank accounts, a list of which is available on http://www.sebi.gov.in .
Stock Exchanges	The BSE and the NSE.
Syndicate	The BRLMs and the Syndicate Members.
Syndicate Agreement	An agreement among members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Issue in relation to the collection of Bids in this Issue (excluding Bids from ASBA Bidders).
Syndicate Members.	•
Takeover Code	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time.
TRS / Transaction Registration Slip	The slip or document issued by any of the members of the Syndicate or the SCSB, as the case may be, to any Bidder as proof of registration of such Bidder's Bid.
Underwriters	The BRLMs and the Syndicate Members.
Underwriting Agreement	An agreement among the Underwriters and our Company and the Selling Shareholders to be entered into on or after the Pricing Date.

Abbreviations

Term	Description
AGM	Annual general meeting.
AS	Accounting standards issued by the Institute of Chartered Accountants of India.
AY	Assessment year.
BSE	The Bombay Stock Exchange Limited.
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
EGM	Extraordinary general meeting.
EPS	Earnings per share (as calculated in accordance with AS-20).
FCNR	Foreign Currency Non Resident.
FDI	Foreign direct investment.
FEMA	The Foreign Exchange Management Act, 1999, and the related rules and regulations framed thereunder, as amended from time to time.
FII(s)	Foreign institutional investors as defined under the SEBI FII Regulations and registered with SEBI under applicable laws in India.
FIPB	Foreign Investment Promotion Board, Ministry of Finance, Government of India.
FVCI	Foreign venture capital investors, as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended.
Financial Year/Fiscal/FY	Period of twelve months ending on March 31 of that particular year, unless otherwise stated.
GDP	Gross domestic product.
GIR Number	General index registration number.
GoI	Government of India.
HNI	High networth individual.
HUF	Hindu undivided family.
IPO	Initial public offer.
Mn/mn	Million.
MoU	Memorandum of Understanding.
N.A.	Not applicable.
NAV	Net asset value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit & loss account, divided by weighted average number of issued equity shares.
NEFT	National electronic fund transfer service.
NOC	No-objection certificate.
NR	Non-resident.

Term	Description
NRE Account	Non resident external account.
NRI	Non resident Indian is a person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
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 at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
P/E Ratio	Price/earnings ratio.
PAN	Permanent account number allotted under the I.T. Act.
RoC / ROC	Registrar of Companies, Andhra Pradesh.
RONW	Return on net worth.
Re. / Rs.	Indian Rupee(s).
RTGS	Real time gross settlement.
Sec.	Section.
SIA	Secretariat for Industrial Assistance.
USD or \$ or US \$	United States Dollar.
VCFs	Venture capital funds as registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended.

Conventional and general terms

Term	Description
Act or Companies Act	The Companies Act, 1956 as amended.
Air Act	Air (Prevention and Control of Pollution) Act, 1981.
Depositories Act	Depositories Act, 1996 as amended.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended.
DP/Depository Participant	A depository participant as defined under the Depositories Act.
ECS	Electronic Clearing System.
Electricity Act	The Electricity Act 2003, as amended from time to time.
IFRS	International Financial Reporting Standards
Indian GAAP	Generally accepted accounting principles in India.
I.T. Act	Income Tax Act, 1961
ONGCL	Oil and Natural Gas Corporation Limited
PGCIL	Power Grid Corporation of India Limited
PTC	PTC India Financial Services Limited
PTC India	PTC India Limited
RBI	Reserve Bank of India Act, 1934, as amended.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992, as amended.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
Securities Act / U.S. Securities Act	The U.S. Securities Act, 1933, as amended.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Stock Exchange(s)	BSE and/or NSE depending on the context.
Sub-Account	Sub-accounts registered with SEBI under the SEBI FII Regulations.
TNEB	Tamil Nadu Electricity Board.
TNPCCB	Tamil Nadu Pollution Control Board.
US/USA	United States of America including its territories and possessions, any state of the United States of America and the District of Columbia.
US GAAP	Generally accepted accounting principles in the USA.
Water Act	Water (Prevention and Control of Pollution) Act, 1974.

Technical or industry related terms

Term	Description
AAI	Airports Authority of India.
CEA	Central Electricity Authority.
CERC	Central Electricity Regulatory Commission.
EIA	Environmental Impact Assessment.
EPA	Environment (Protection) Act, 1986.
EPC	Engineering, Procurement and Construction.
ERC	Electricity Regulatory Commission.
FR	Feasibility Report.
IPP	Independent Power Producers.
KW	Kilo Watt.
kWh	Kilo Watt Hour.
LC	Letter of credit.
MMSCMD	Million Metric Standard Cubic Meter Per Day.
MoEF	Ministry of Environment and Forests.
MU	Million Units.
MW	Mega Watt.
O&M	Operation and Maintenance.
PAF	Plant Availability Factor.
PCB	Pollution Control Board.
PLF	Plant Load Factor.
PPA	Power Purchase Agreement.
RFP	Request for Proposal.
RFQ	Request for Qualification.
SEBs	State Electricity Boards.
SERC	State Electricity Regulatory Commission.
SLDC	State Load Dispath Centre.
SPV	Special Purpose Vehicle.
STU	State Transmission Utility.
sq. km.	Square kilometre.
UMPP	Ultra Mega Power Project.
Unit	1 KWh, i.e. the energy contained in a current of one thousand amperes flowing under an electromotive force of one volt during one hour.

CERTAIN CONVENTIONS - PRESENTATION OF FINANCIALS, INDUSTRY AND MARKET DATA

Financial Data

Unless indicated otherwise, the financial data and other financial information in this Draft Red Herring Prospectus are derived from the restated unconsolidated and restated consolidated financial statements of the Company prepared in accordance with Indian GAAP and the Companies Act and in accordance with the SEBI ICDR Regulations.

The fiscal year of the Company commences on April 01 of each year and ends on March 31 of the next year. Accordingly, unless the context otherwise implies or requires, all references to a particular fiscal year are to the twelve-month period ended March 31 of that fiscal year.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information to a particular reader, is entirely dependent on the readers level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI ICDR Regulations on the financial statements and other financial information presented in this Draft Red Herring Prospectus should accordingly be limited. Our Company has not attempted to quantify any such differences or their impact on the financial statements and other financial information included herein, and you should consult your own advisors regarding such differences and their impact on the financial statements and other financial information included herein.

For more information on the results of operations and financial condition of our Company, see the section titled “Financial Statements” on page 270.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from industry publications and certain public sources. 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 our Company believes that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been verified by us or any independent sources. Further, the extent to which the market and industry data presented in this Draft Red Herring Prospectus is meaningful depends on the readers familiarity with and understanding of methodologies used in compiling such data.

In accordance with the SEBI ICDR Regulations, we have included in the section titled “Basis for the Issue Price” on page 108 information relating to our peer group companies. Such information has been derived from publicly available sources and the Company has not independently verified such information.

Presentation of Currency

This Draft Red Herring Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of Clause 2(VIII)(G) of Part A of Schedule VIII of the SEBI ICDR Regulations. These convenience translations should not be construed as a representation that those U.S. Dollar or other currency amounts could have been, or can be, converted into Indian Rupees, at any particular rate, at the rates stated below or at all.

In this Draft Red Herring Prospectus, all references to “India” are to the Republic of India, all references to “Rupees” or “Rs.” are to Indian Rupees, the official currency of the Republic of India, all references to “U.S.\$”, “U.S. Dollar(s)” or “USD” are to United States Dollars, the official currency of the United States of America and all references to “€” or to “Euro” are to Euros, the official currency of the European Union.

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

The following table sets forth, for each period indicated, information concerning the number of Rupees for which one US dollar could be exchanged.

Period	Period End (in Rs.)	Period End (in Rs.)
	1USD	1Indonesian Rupiah (IDR)
As at March 31, 2008	39.97	0.00433
As at March 31, 2009	50.95	0.00445
As at March 31, 2010	45.14	0.00495

(Source for USD: RBI Reference Rate, Source for Indonesian Rupiah: www.oanda.com, Interbank Rate)

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “future”, “goal”, “plan”, “contemplate”, “propose” “seek to” “project”, “should”, “will”, “will continue”, “will pursue”, “will likely result” or other words or phrases of similar import. All forward-looking statements are based on our current plans and expectations and are subject to a number of uncertainties and risks and assumptions that could significantly and materially affect our current plans and expectations and our future financial condition and results of operations.

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

- change in general economic and business conditions in India;
- volatility in the financial markets;
- volatility in the foreign exchange rates;
- cost and time overruns on project implementations;
- changes in the political conditions in India;
- changes in the fuel availability scenario;
- inability to enter into profitable off take arrangements;
- demand and supply for power in India; and
- ability to successfully implement strategy, growth and expansion.

For further discussion of factors that could cause our actual results to differ, see the sections titled “Risk Factors”, “Our Business” and “Management’s Discussion of Financial Condition and Results of Operations” on pages 13, 139 and 392 respectively.

Neither our Company, the Selling Shareholders, our Directors and officers, nor any of their respective affiliates or associates nor the BRLMs or the Syndicate Members have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, the Selling Shareholders (to the extent of any statements made by them under the DRHP), the BRLMs will ensure that investors in India are informed of material developments between the date of filing the RHP with the RoC and the date of allotment of the Equity Shares.

SECTION II: 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. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. 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 has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate the ease of reading and reference, and does not in any manner indicate the importance of one risk factor over another.

Unless otherwise stated, the financial information used in this section is derived from our restated consolidated or restated unconsolidated financial statements under Indian GAAP.

Risks Related to our Business

- There is outstanding litigation against us, our Subsidiaries, our Directors, our Promoters and our Group Entities, which if determined adversely, could affect our operations.***

Our Company, our Subsidiaries, our Directors, our Promoters and our Group Entities are defendants in legal proceedings. 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. Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities. Any adverse decision may have an adverse effect on our business, results of operations and financial condition.

Litigation against our Company, Promoters, Directors, Subsidiaries, Group Companies

Name of entity/person	Nature and number of outstanding litigations	Aggregate approximate amount involved (in Rs.)
Company	Two tax cases	10,266,987
Promoter and Director: K. Rama Devi	Three criminal complaints	10,821,857
Director		
K. Raghu Ramakrishna Raju	Seven contempt petitions	N.A.
Perumal Srinivasan	Two criminal complaints	N.A.
Vaddarse Prabhakar Shetty	One civil case	N.A.
Subsidiaries		
Arkay Energy (Rameswaram) Limited*	Eleven civil cases	-
Group Companies		
Ind-Barath Commodities Limited	One contempt petition	6,515,947

** As of December 31, 2009, AERL estimates that the total cost of settlement of such claims, both incurred and expected to be incurred, is Rs. 391.48 million and has made necessary provisions or accruals in its financial statements.*

Litigation by our Company, Promoters, Directors, Subsidiaries, Group Companies

Name of entity/person	Nature and number of outstanding litigations	Aggregate approximate amount involved (in Rs.)
Company*	One tax case	-
Subsidiaries		
Ind-Barath Energies (Maharashtra) Limited	One civil case	N.A.
Ind-Barath Energies Limited	Sixteen civil cases and one tax case	1,040,352
Raghu Rama Renewable Energy Limited	One customs case	8,496,838
Ind-Barath Power Gencom Limited	One civil case	127,472,925
Arkay Energy (Rameswarm) Limited	One civil case	N.A.
Group Companies		
Sriba Agro Limited	One customs case and two civil cases	14,518,828
NATL Power Limited	Sixteen civil cases	N.A.

* As of December 31, 2009, we have made a provision of Rs. 10.27 million in relation to tax case.

For further details on the outstanding litigation against our Company, our Subsidiaries, our Directors, our Promoters and our Group Entities, see “Outstanding Litigation and Material Developments” on page 413.

- 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 power projects and our business may be adversely affected.***

The development of power projects is capital intensive and our power projects require significant capital expenditure. The Net Proceeds we expect to receive from the Issue only cover part of the estimated cost of completing our power projects under implementation. We may have to raise additional debt or equity to fund the balance costs for such projects. As of March 31, 2010, we have entered into a loan agreement of Rs. 23,890.00 million, with a consortium of lenders, in respect of the power project under implementation by IBEUL, and we have received an underwriting letter for up to Rs. 26,960.00 million, in respect of the power project under implementation by IBPML. If we are unable to meet our obligations under the underwriting letter, the lender would be under no obligation to provide any loan to us. For further details, see “Objects of the Issue” on page 93.

If the funding requirements of a particular power project increase, we will need to look for additional sources of financing, which may not be readily available, or may not be available on commercially reasonable terms. For example, we may face cost overruns during the construction of our power projects. This may require us to revise our project cost estimates. Any significant change in the contemplated financial requirements and development costs may have an adverse effect on our cash flows, financial condition and results of operations.

Due to the number of large-scale infrastructure projects currently under development in India and increased lending by banks and institutions to these projects, we may not be able to receive adequate debt funding on commercially reasonable terms in India and may be required to seek funding internationally, which may result in exposure to higher interest rate and foreign exchange risks.

Our ability to finance our capital expenditure plans is also subject to a number of risks, contingencies and other factors, some of which are beyond our control, including tariff regulations, borrowing or lending restrictions, applicable government regulations, the amount of dividends that can be paid to our shareholders and general economic and capital market conditions. In addition, we currently intend to finance approximately 25.0% of the costs of our power projects from equity contributions and approximately 75.0% of the costs of our power projects from third party debt. However, in the future, financial institutions or investors may require higher contributions from us. If this occurs, it will reduce our leverage for the project being financed and may negatively impact our expected returns. If we are unable to raise third party debt for our power projects, or experience any delays in raising such debt, there could be an adverse effect on our ability to complete these power projects and on our revenues and profitability.

3. ***We have incurred significant indebtedness and intend to incur additional borrowings in connection with the implementation of our power projects. The conditions and restrictions imposed by our financing agreements could adversely impact our ability to conduct our business.***

As of March 31, 2010, we had Rs. 9,605.98 million and Rs. 297.38 million in principal amount of secured loans and unsecured loans, respectively, on a consolidated basis. For further details, see “Financial Statements” and “Financial Indebtedness” on pages 270 and 356, respectively. Our level of indebtedness 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;
- affect our credit rating;
- limiting our ability to borrow more money both now and in the future; and
- increasing our interest expenditure, since a significant portion of our debt bears interest at floating rates.

Further, our financing arrangements contain restrictive covenants, including, but not limited to, requirements that we obtain approval from our lenders, regarding, among other things, our reorganisation, amalgamation or merger, our incurrence of additional indebtedness, the disposition of assets, the expansion of our business, altering the capital structure, further issuances of shares, declaration of dividends, creating any charge or lien on the security, changing our management team or appointing a nominee director on the Board. Many of our lenders retain the right to reschedule the payment of the loan amount in cases of default. We cannot assure you that we will receive such lender approvals in a timely manner or at all. These agreements also require us to maintain certain financial ratios. If we breach any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole, or in part, together with any related costs. Certain of our financing arrangements contain specific clauses which would allow lenders to execute a conversion right in the equity shares of our Subsidiaries. Subsidiaries that have borrowed on these terms include IBPGL, IBEML and IBEUL. In cases of default, lenders may exercise further control over our Subsidiaries. For example, should IBEUL default on its financial obligations, the lending consortium may choose to sell power generated by IBEUL to any third party they wish. In other cases, we may require approvals from our lenders which may affect timelines of our projects. For example, IBTPL’s approval from its lenders of its location change from Karwar, Karnataka to Thoothukudi, Tamil Nadu, is subject to the receipt of approvals from all lenders and sub-ordinate lenders. Furthermore, certain of our financing arrangements may contain cross default provisions which could automatically trigger defaults under other financing arrangements and project documents. Additionally, because some of our borrowings are secured against all, or a portion, of our assets, our lenders may be entitled to seize and sell those assets to discharge any claims for repayment that they may have against us.

4. ***If we are unable to meet debt service obligations under our financing arrangements, our results of operations, business and financial condition may be adversely affected.***

Our ability to meet our debt service obligations and to repay our outstanding borrowings will depend primarily upon the cash flow generated by our business over time, as well as the capital markets as a source of capital. If we fail to meet our debt service obligations or financial covenants required under our financing documents, lenders could declare us in default under the terms of our borrowings, accelerate the maturity of our obligations, call for the conversion of debt to equity or take over the financed power project. We cannot assure you that, in the event of any such scenario, we will have sufficient resources to repay these borrowings. Failure to meet our obligations under our debt financing arrangements could have an adverse effect on our cash flows, business and results of operations.

As of March 31, 2010, our Promoters have given personal guarantees, aggregating Rs. 3,555.40 million, in relation to certain debt facilities provided to us as of March 31, 2010. Our Promoters have also undertaken to meet any shortfall in the amounts required for the completion of any project. In the event that our Promoters withdraw or terminate their guarantees, the lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities or terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. In addition, as of March 31, 2010, our Company has provided corporate guarantees aggregating Rs. 263.43 million in relation to the loans availed by our Subsidiaries and Group Entities. Guarantees of indebtedness of Subsidiaries or Group Entities are recognised in our financial statements as contingent liabilities. If our Subsidiaries or Group Entities are unable to meet their obligations under their debt financing arrangements, our corporate guarantees may be invoked, which may have an adverse effect on our financial condition.

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

As of March 31, 2010, we had floating interest rate indebtedness of Rs. 7,530.24 million, on a consolidated basis. As of March 31, 2010, the interest rates on our indebtedness normally ranged from 9.0% to 14.0% per annum. A significant portion of our secured borrowings are subject to floating interest rates, which exposes us to interest rate risk. Our current debt facilities also include provisions for the periodic reset of interest rates. Further, we do not currently enter into any swap or interest rate hedging transactions in connection with our loan agreements or other agreements. We cannot assure you that we will be able to enter into interest hedging contracts or other financial arrangements on commercially reasonable terms, or whether any such agreements would 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.

6. *We have not fulfilled our obligations under the biomass energy purchase agreement with Maharashtra State Electricity Distribution Company Limited ("MSEDCL") and may be subject to penalties that may adversely affect our business, results of operations and financial condition.*

We are currently involved in regulatory proceedings wherein we have challenged the validity of our biomass energy purchase agreement with MSEDCL dated October 18, 2006. Under the terms of the agreement, IBEML's fossil fuel usage may not exceed 25.0% of the total fuel quantity. Should the current regulatory proceedings hold that the agreement is valid, failure to adhere to such requirements will subject us to penalties and termination of the biomass energy purchase agreement. As of the date of this Draft Red Herring Prospectus, IBEML was not in compliance with the conditions of the biomass energy purchase agreement and we cannot assure you that MSEDCL will not assess penalties under the terms of the biomass energy purchase agreement in the future. For further details, see "Outstanding Litigation and Material Developments" on page 413. In the event that such penalties are assessed, our business, goodwill, results of operations and financial condition may be adversely affected.

7. *We are involved in litigation with former captive customers in respect of the 95.3 MW power project owned and operated by AERL.*

On April 6, 2009, in respect of AERL's 95.3 MW natural gas-based power project, AERL entered into an off-take agreement with PTC India for the sale of power on a merchant basis. Prior to such agreement, AERL had sold power to captive consumers in the area. On April 29, 2009, in response to petitions filed by former captive consumers of AERL, challenging the off-take agreement with PTC India, the High Court of Madras issued an interim injunction ordering the continuous supply of power to AERL's captive customers. AERL has not complied with that order, and as a result, former captive consumers have filed claims against AERL. These claims are currently under adjudication and any adverse decisions may have an adverse effect on our results of operations and financial condition. As of December 31, 2009, AERL estimates that the total cost of settlement of such claims, both incurred and expected to be incurred, is Rs. 391.48 million and has made the necessary provisions or accruals in its financial statements.

8. ***We may face onerous terms under agreements with state governments.***

We may face onerous terms under the agreements that we sign with state governments. In certain agreements that we sign with state governments, we may be required to meet onerous terms such as being required to reserve certain quotas of our employees to state residents only. For example, our subsidiary, IBEUL, is required to hire specific numbers of people from within the state of Orissa for employment in the power project under implementation by IBEUL. IBEUL may also be required to build a biomass-based power plant in Orissa based on correspondence in relation to its implementation agreement with the State Government of Orissa. We may also build power plants under terms which require us to transfer such power plants to the respective state government after a certain period of time has passed. For example, our Subsidiary, DHPL, will be required to hand over the Maujhi II hydroelectric power plant to the Government of Himachal Pradesh after January 2049 and is required to reserve up to 70.0% of its workforce for residents of Himachal Pradesh. We may also experience restrictions on where and how much power we are able to sell. For example, pursuant to off-take arrangements for AERL under an agreement dated April 6, 2009, as amended on October 22, 2009, any power sold in excess of the agreed quantities is sold at rates determined by the TNEB. As of March 20, 2010, AERL has supplied 90,143,500 units of excess power to the TNEB, for which we have not received payments. These and other similar onerous terms may have an adverse effect on our business, results of operations and financial condition.

9. ***We rely on our Subsidiaries to generate earnings, and any decline in the earnings of our Subsidiaries or their ability to pay dividends to our Company could adversely affect our Company's results of operations.***

With the exception of our Company's 0.75 MW wind-based power project in Idukki, Kerala, all of our operational power projects are operated by our Subsidiaries. Further, all of our power projects under implementation are being developed through our Subsidiaries. Hence, a substantial portion of our assets are held by, and a substantial part of our earnings and cash flows are presently attributable to, and in future will continue to be attributable to, our Subsidiaries. If earnings from our Subsidiaries were to decline, our earnings and cash flow would be adversely affected. We cannot assure prospective investors that our Subsidiaries will be able to generate sufficient earnings and cash flows to pay dividends or otherwise distribute sufficient funds to enable us to pay interest and expenses or declare dividends. If we are unable to receive sufficient funds from our Subsidiaries, our liquidity, cash flow and financial condition may be adversely affected.

10. ***Many of our power projects have a small number of customers and we are dependant on such customers for a large portion of our revenues.***

We currently derive a significant portion of our income from a limited number of customers. For example, for the fiscal year 2010, one of our customers, PTC India, contributed a significant portion of our income from the sale of electricity. We expect that a significant portion of our income will continue to be attributable to a limited number of customers in the near future. If we were to lose one or more of our major customers or if any one of our large customers significantly reduces its business with us or became financially troubled, our business, prospects, financial condition and results of operations would be adversely affected.

11. ***We have pledged, have agreed to pledge and will continue to pledge a portion of our shareholding in certain of our Subsidiaries in favour of lenders, who may exercise their rights under the respective pledge agreements in events of default.***

We have pledged a portion of the shares we hold in certain of our Subsidiaries, in favour of lenders as security for the loans provided to these Subsidiaries. If our Subsidiaries default on their obligations under the relevant financing documents, the lenders may enforce the share pledges, have the shares transferred to their names and acquire management control over the pledged companies. If this happens, we will lose the value of any such pledged shares and we will no longer be able to recognise any revenue attributable to them. If we lose control of any of our Subsidiaries, our ability to implement our overall business strategy would be adversely affected. Going forward, we intend to continue to pledge the shares of our Subsidiaries in favour of lenders as security for our financing arrangements. Any loss in control of our Subsidiaries would have an adverse effect on our business, results of operations and financial condition.

12. ***Certain minority shareholders in our Subsidiaries are entitled to receive guaranteed rates of return, which may be higher than the actual returns generated by such Subsidiaries.***

PTC Financial India Financial Services Limited (“PTC”) is a minority shareholder with 26.0% and 20.5% equity interest in our Subsidiaries, IBPGL and IBEUL, respectively. Pursuant to the terms of the share subscription agreements for such Subsidiaries, subject to certain milestones, PTC is entitled to exercise a put option requiring our Company or the respective Subsidiary to purchase PTC’s shares in such Subsidiaries. For further details, see “Description of Certain Key Contracts” on page 175. PTC would be entitled to receive payouts equivalent to a compounded rate of return in excess of 23.0%, net of taxes and dividends, on its investment. We cannot assure you that this rate of return will be lower than the actual rate of return generated by such Subsidiaries. Consequently, any such payout to PTC may have an adverse effect on our liquidity, cash flows and financial condition. Moreover, in order to secure financing, we may enter into similar agreements with other minority shareholders in the future.

13. ***Our financing and fuel supply arrangements are long term in nature, which may restrict our operational and financial flexibility.***

Our long-term financing and fuel supply arrangements have inherent risks because they restrict our and our Subsidiaries’ operational and financial flexibility. For example, we may not be able to take advantage of market or industry dynamics and business circumstances may change over the life of one or more of our power projects. Therefore, certain of our prices at which we supply power may have little or no relationship with the actual costs incurred in generating that power, which means that our margins will fluctuate significantly. Further, we have entered into long term agreements and we expect to continue to enter into such long term agreements. Any difficulties arising out of our financial inflexibility are further exacerbated by such long term agreements.

We may not have the ability to modify our agreements with government entities, financial institutions, or customers to reflect changes in economic conditions, or negotiate satisfactory alternate arrangements. Further, our long term commitments to our projects may restrict our ability to implement changes to our business plan. For example, loan agreements for these projects restrict our ability to sell, transfer or divest our interests in the relevant project companies. This limits our business flexibility, exposes us to an increased risk of unforeseen business and industry changes and could have an adverse effect on our financial results and business prospects.

14. ***Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our operations, results and financial condition.***

We currently have a combined power generation capacity of 290.6 MW. However, we also have five power projects under implementation, which will increase our combined power generation capacity by 1,728.0 MW and are also planning to develop three thermal power projects with a combined power generation capacity of 1,337.5 MW. We expect that our growth strategy will place significant demands on our management, financial and other resources. In particular, our continued expansion increases the challenges involved in financial and technical management, recruitment, training and retaining sufficient skilled technical and management personnel, and developing and improving our internal administrative infrastructure. We intend to continue our expansion into the foreseeable future to allow us to pursue existing and potential market opportunities. Our inability to manage our business plan effectively and execute our growth strategy could have an adverse effect on our operations, results, financial condition and cash flows.

In order to manage our growth effectively, we must implement and improve operational systems, procedures and internal 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 internal controls that would result in inconsistent internal standard operating procedures, we may not be able to hire and retain new employees, pursue new business, complete future strategic agreements or operate our business effectively. There can be no assurance that our existing or future management, operational and financial systems, procedures and controls will be adequate to support our future operations or establish or develop business relationships beneficial to our future operations.

15. ***We require certain approvals and licenses for executing our projects and operating our business, and any failure to obtain, renew or maintain such licenses or approvals in a timely manner, or at all, may adversely affect our operations.***

We require certain approvals, licenses, registrations and permissions for executing our projects and operating our business, some of which may have expired and for some of which we may have either made or are in the process of making an application for obtaining the approval or its renewal. For further details, see “Government and other approvals” on page 424. While we believe we will be able to obtain, maintain and renew such approvals or permits, as required, there can be no assurance that this will take place in the time frames anticipated by us or at all. If we fail to obtain, maintain or renew any of these approvals or licenses, in a timely manner, it may disrupt the schedule of implementation of our projects, impede the execution of our business plans and may result in an adverse effect on our business and financial condition. For example, in relation to our Indonesian mining operations, the four mining entities, which are operated by our Subsidiary, PT Indbharath Energy, have not received certain licenses that are required prior to commencement of mining operations, including environmental licenses, nuisance permits, liquid waste disposal permits, hazardous and toxic waste management licenses and trade business licenses. If such entities are unable to acquire the required licenses in a timely manner, or at all, and commencement of mining operations is delayed or cancelled, our business and results of operations may be adversely affected. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to make substantial expenditures. If we fail to comply or a regulator alleges that we have not complied with these conditions, our business, prospects, financial condition and results of operations may be adversely affected.

16. ***We have no track record in implementing and operating large-scale power projects.***

We have no track record in implementing and operating large-scale power projects. We may face managerial, technical and logistical challenges during implementation of our large-scale power projects, and we may be unable to efficiently handle such challenges. Any failure on our part to effectively meet such challenges may have an adverse effect on our business and results of operations. Additionally, such challenges may cause us to not meet our implementation schedules and face delays in commencement of commercial operations of one or more of our large-scale power projects. Further, disruptions could occur at one or more large-scale power plants after commercial operations have commenced. Any of the foregoing may have an adverse effect on our business, prospects, results of operations and financial condition.

17. ***We have not entered into any definitive agreements to utilise the net proceeds of the Issue, and our management will have significant flexibility in temporarily investing the Net Proceeds of the Issue.***

We have not entered into any definitive agreements to utilise the net proceeds of the Issue. The deployment of funds, as stated in the section titled “Objects of the Issue” on page 93, is entirely at the discretion of our Board. All the figures included under the section titled “Objects of the Issue” are based on our own estimates. Pending utilisation of the Net Proceeds of the Issue for the purposes described in this Draft Red Herring Prospectus, we intend to invest the Net Proceeds of the Issue in interest-bearing liquid instruments, including money market mutual funds and deposits with banks, or apply the proceeds of this Issue towards reducing our overdrafts. Such investments would be made in accordance with investment policies or investment limits approved of by our Board of Directors and other conditions prescribed by the Monitoring Agency from time to time. In addition, certain estimates, such as deployment schedule and time frame to commercial operation date, are estimated by management and have not been vetted by any third party. Our management may also determine that it is appropriate to revise our estimated project costs, fund requirements and deployment schedule owing to factors such as geological assessments, exchange or interest rate fluctuations, changes in design or configuration of the power project, any rehabilitation and other preoperative expenses and other external factors, which may be not within the control of our management but may affect the use of Net Proceeds.

18. ***Our success will depend on our ability to attract and retain our key personnel. If we are unable to do so, it may adversely affect our business and results of operations.***

Our future success substantially depends on the continued service and performance of members of our senior management team and other key personnel in our business for project implementation, management and running of our daily operations, and the planning and execution of our business strategy. There is intense competition for experienced senior management and other key personnel with technical and industry expertise in the power business and if we lose the services of any of these or other key individuals and are unable to find suitable replacements in a timely manner, our ability to realise our strategic objectives could be impaired. 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. Our performance also depends on our ability to attract and train highly skilled personnel. If we are unable to do so, it would adversely affect our business and results of operations.

We are also subject to laws and regulations governing our relationships with our employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Shortage of skilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business, and results of operations.

19. ***Our customers may have weak credit histories and we may be unable to receive payment in a timely manner or at all.***

A significant part of our revenues may be derived from the sale of power to state-owned distribution companies, their successor distribution companies and other public and private procurers. We may face difficulty in enforcing payment provisions in our contracts with public procurers. In addition, in the past, disputes and counterclaims have arisen between transmission companies, electricity boards and generation companies. Facing such disputes, certain entities have refused to perform their obligations under payment provisions until such disputes or counterclaims have been fully resolved, which can take a substantial period of time. Any failure by the counter party to fulfil its payment obligations to us could have an adverse effect on our financial conditions, business prospects and results of operations. Our Company is also exposed to risks associated with entering into arrangements with other public and private buyers of power with weak credit histories. Any change in the financial position of our customers that adversely affects their ability to pay our Company may adversely affect our financial position and results of operations.

20. ***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 the monsoon season, may delay or disrupt the implementation of our power projects undergoing construction at such times. In addition, demand for power is typically higher in the summer season in India as compared to the rainy and winter seasons. 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.

21. ***We may not be able to acquire sufficient land in a timely manner or at all for our projects. Such delays in the acquisition of land may adversely affect the timely performance of our obligations under implementation agreements, power purchase agreements, and financing agreements.***

A key condition precedent under implementation agreements and power purchase agreements for proposed projects is the acquisition or lease of, or securing right of way over, tracts of land for a project site. There can be no assurance that such land acquisitions will be completed in a timely manner, on terms that are commercially acceptable to us, or at all. For example, we are yet to transfer title to land to IBPML. Our ability to identify and acquire suitable sites is dependent on a number of factors that are beyond our control. These factors include the availability of suitable land, the willingness of landowners to sell land and/or assign development rights on terms attractive to us, the ability to obtain an agreement to sell from all the owners where land has multiple owners, the availability and cost of financing, encumbrances on targeted land, government directives on land use and obtaining permits and approvals for land acquisition and development. Even when the GoI and/or state governments are required to facilitate the acquisition or lease of, or secure rights of way over, tracts of land under implementation agreements or power purchase agreements, we cannot assure you that all requisite

approvals related to, and the acquisition of, or lease of, or right of way over land or the registration of land will be completed in a timely manner and on terms that are commercially acceptable to us, if at all. If we are unable to complete the foregoing in a timely manner, this may delay financial closure, delay locking-in interest rates, and cause construction delays. A delay in achieving financial closure could in turn be a breach and an event of default under implementation agreements or power purchase agreements leading to possible disputes with concerned parties.

22. *Our Company may not be able to identify or correct any defects or irregularities in title to the lands upon which it intends to develop its power projects.*

There may be legal defects and irregularities in the title to the lands on which we intend to develop power projects, which we may not be able to fully identify or assess. Our rights in respect of these lands may be compromised by improperly executed, unregistered or insufficiently stamped conveyance instruments in the property's chain of title, unregistered encumbrances in favour of third parties, rights of adverse possessors, ownership claims of family members of prior owners, or other defects that we may not be aware of. Any defects or irregularities of title may result in the loss of development rights over land, which will prejudice the success of our power projects and may require us to write-off substantial expenditures in respect of a project. Any inability to identify defects or irregularities of title, and any inability to correct any such defects or irregularities of title may have an adverse effect on our business, financial condition and results of operations.

23. *We may not have sufficient insurance coverage to cover all possible economic losses. The occurrence of an event for which we are not adequately or sufficiently insured could have an adverse effect on our business, results of operations, financial condition and cash flows.*

Operations in our power generation business carry inherent risks of personal injury and loss of life, damage to or destruction of property, plant and equipment and damage to the environment, and are subject to risks such as fire, theft, flood, earthquakes and terrorism. We maintain insurance coverage, in amounts which we believe are commercially appropriate, including insurance against damage, loss of profit and business interruption, and third party liability with respect to certain of our power projects. For further details, see "Our Business – Insurance" on page 139. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, including when the loss suffered is not easily quantifiable or in the event of severe damage to our goodwill. Even where we make a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy.

Additionally, there may be various other risks and losses for which we are not insured, either because such risks are uninsurable or not insurable on commercially acceptable terms. In addition, in the future, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our business, goodwill, results of operations, financial condition and cash flows.

24. *Our costs of compliance with environmental laws are expected to be significant and any failure to comply with existing and new environmental laws could adversely affect our results of operations.*

Our power projects are subject to national and state environmental laws and regulations, which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. For example, the 300.0 MW power project currently under implementation by one of our Subsidiaries, IBTPL, is yet to receive environmental clearance. Environmental regulation of industrial activities in India may become more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental, or pollution regulations, we may be required to incur significant amounts on, among other things, environmental monitoring, pollution control equipment and emissions management. We expect to generate a considerable amount of ash in some of our power projects. There are limited options for utilising 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 or disposal activities may be insufficient relative to the amount of ash we expect to generate. We are subject to a GoI requirement that by 2014, 100.0% of the fly ash produced through our generation activities must be gainfully utilised. Compliance with this requirement, as well as any future norms with respect to ash utilisation, may add to our capital expenditures and operating expenses. We could be subject to substantial civil

and criminal liability and other regulatory consequences in the event that 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 results in contamination of the environment. We may be the subject of public interest litigation in India relating to allegations of environmental pollution by our power projects, as well as in some cases having potential criminal and civil liability filed by state pollution control authorities. If such cases are determined against us, there could be an adverse effect on our business and operations.

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

In accordance with and subject to the condition specified in Section 80 IA of the Income Tax Act, 1961, we are entitled to certain benefits for all of our operational power projects and would be entitled to a deduction of 100.0% of the profits derived from the generation, distribution or transmission of power for any 10 consecutive assessment years out of 15 years beginning from the year in which the undertaking generated power or commences transmission or distribution of power before March 31, 2011. As such, we may not be eligible to receive the tax benefits for future projects that are commissioned after the designated date. We cannot assure you that the GoI will extend the period of availability for such tax benefits and if such tax benefits become unavailable, our business, financial condition and results of operations could be adversely affected.

26. ***Changes to tariff regulations may adversely affect our results of operations and our cash flow from operations.***

Power tariffs in India are established through competitive bidding or determined by central or state regulators. Although we expect that tariffs with respect to most of our power projects will be set through a process of competitive bidding, state regulators determined the tariff for three of our operational power projects and it is likely that some of our power projects under implementation and planned power projects that we develop in the future will be subject to central or state tariff regulation. Any change in tariff regulations may have an adverse impact on our business and results of operations.

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

Our future success will depend in part on our ability to respond to technological advances and emerging power generation industry standards and practices on a cost-effective and timely basis. Changes in technology and increases in fuel costs of coal-based power projects may lead to newer generation power projects or equipment that may be more competitive than ours, and may require us to make additional capital expenditures to upgrade our facilities. In addition, there are other technologies that can produce electricity, most notably fuel cells, micro turbines and photovoltaic (solar) cells. If we are unable, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business, financial performance and results of operations could be adversely affected.

28. ***We have entered into, and will continue to enter into, related party transactions and there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.***

We have entered into transactions with several related parties, including our Promoters, Directors and Group Entities. We can give no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest. For more information regarding our related party transactions, see “Annexure – XIII – Statement of loans and advances” as restated on page 339.

29. *Some of our Subsidiaries have incurred losses in the last three years.*

Some of our Subsidiaries have incurred losses during the last three years (as per their stand-alone financial statements), as set forth below:

Profit/Loss of our Subsidiaries

(Rs. in Million)

Name of Subsidiary	Profit/(Loss) for the Fiscal Year 2009	Profit/(Loss) for the Fiscal Year 2008	Profit/(Loss) for the Fiscal Year 2007
Ind-Barath Energies (Maharashtra) Limited	(53.23)	-	-
Ind-Barath Energies (Thoothukkudi) Limited	(109.91)	(20.55)	(13.95)
PT Indbharath Energy	(158.81)	(4.24)	N.A.
Raghu Rama Renewable Energy Limited	(65.72)	45.38	13.71

30. *Some of our Subsidiaries and Group Entities have had negative net worth in the last three years.*

Some of our Subsidiaries and Group Entities have had negative net worth during the last three years (as per their stand-alone financial statements), as set forth below:

Net worth of our Subsidiaries

(Rs. in Million)

Name of Subsidiary	As of March 31, 2009	As of March 31, 2008	As of March 31, 2007
PT Indbharath Energy	(143.42)	2.82	N.A.

Profit/(Loss) of our Group Entities

(Rs. in Million)

Name of Group Entity	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007
NATL Power Limited	(12.84)	(28.88)	(35.16)

31. *Contingent liabilities and capital commitments which have not been provided for could adversely affect our financial conditions.*

The following table provides our contingent liabilities and capital commitments, on a consolidated basis, as of December 31, 2009:

(Rs. in Million)

DETAIL OF CONTINGENT LIABILITIES, AS RESTATED	
PARTICULARS	AS AT 31 DECEMBER 2009
CONTINGENT LIABILITIES	
Guarantees issued by bank	268.37
Preference dividend (including dividend tax thereon)	0.26
Letters of credit outstanding	1,068.70
Demand from customs authorities	8.49
Total	1,345.82
CAPITAL COMMITMENTS	
Estimated amounts of contracts remaining unexecuted on capital account	23,727.43

If any or all of these contingent liabilities materialise, it could have an adverse effect on our business, financial condition and results of operations.

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

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

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of consideration, Consideration amount	Name of Allottee
October 29, 2009	7,552,139	10.00	187.58	Cash, Rs. 1,416,630,233.00	Allotment of 3,287,402 Equity Shares to Sequoia Capital India Growth Investment Holdings II, 2,043,520 Equity Shares to IFS trustees on behalf of Bessemer Venture Partners Trust, 1,420,905 Equity Shares to CVCIGP II Client Ebene Limited, 795,795 Equity Shares to CVCIGP II Employee Ebene Limited and 4,517 Equity Shares to Gautam Nayak and Keshav Bhujle (as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Ajay Tandon Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Siva Shankar Trust), pursuant to the Investment Agreement.
May 15, 2010	19,06,394	10.00	18.00	Conversion of Class A Preference Shares	Allotment of an aggregate of 19,06,394 Equity Shares upon conversion of 34,315 Class A Preference Shares in the following manner: 778,491 Equity Shares to CVCIGP II Client Rosehill Limited upon conversion of 14,012 Class A Preference Shares; 436,004 Equity Shares to CVCIGP II Employee Rosehill Limited upon conversion of 7,848 Class A Preference Shares; an aggregate of 2,474 Equity Shares to Gautam Nayak and Keshav Bhujle (as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust) upon conversion of an aggregate of 45 Class A Preference Shares; 426,474 Equity Shares to Sriba Seabase Private Limited upon conversion of 7,677 Class A Preference Shares; and 262,951 Equity Shares to UTI Venture Funds Management Company Private Limited upon conversion of 4,733 Class A Preference Shares.

33. ***Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.***

Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences for us including difficulty in raising debt-financing. In addition, any perception by investors that such issuances or sales might occur may also affect the trading price of our Equity Shares.

34. ***Our Promoters will continue to retain majority shareholding in us after the Issue, which will allow them to exercise significant influence over us.***

After the completion of the Issue, our Promoters will hold 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 our Promoters. The interests of our Promoters as our Company's controlling shareholder could conflict with our Company's interests or the interests of our other shareholders. We cannot assure you that our Promoters will act to resolve any conflicts of interest in our Company's or your favour.

35. ***The allocation of Equity Shares pursuant to our ESOP may result in a charge to our income statement and may adversely impact our net income.***

We have adopted certain ESOPs for our employees and for further details, see section titled “Capital Structure – Notes to Capital Structure” on page 72. Under these ESOPs, we are permitted to grant options at an exercise price that may be lower than the fair market value of the options on the date of the grant. Under Indian GAAP, the grant of these stock options will result in a charge to our profit and loss account based on the difference between the exercise price determined at the date of the grant of options and the fair market value of the options. This expense will be amortised over the vesting period of the options. As a purchaser of Equity Shares in this Issue, you may experience dilution of your shareholding to the extent that we issue Equity Shares pursuant to any stock options issued under ESOP.

36. ***If our employees unionise, we may be subject to industrial unrest, slowdowns and increased wage costs.***

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Although our employees are not currently unionised, there can be no assurance that they will not unionise in the future. If our employees unionise, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management’s attention due to union intervention, which may have an adverse impact on our business, results of operations and financial condition.

37. ***We may be held responsible for paying the wages of workers of defaulting independent contractors that we may have hired.***

Our Company may enter into contracts with independent contractors to complete various aspects of our power projects. Such independent contractors may hire labourers and although our Company does not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund these wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a portion of such contract labourers as permanent employees. Any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

38. ***We do not own the trademark and logo appearing on the cover page of this Draft Red Herring Prospectus. If we are unable to use the trademark and logo, our results of operations may be adversely affected.***

The Ind-Barath Power Infra trademark (“Ind-Barath Trademark”) and the Ind-Barath Power Infra logo (the “Ind-Barath Logo”) appearing on the cover page of this Draft Red Herring Prospectus are not owned by us. We have filed an application for the registration of the Ind-Barath Trademark. We believe that the Ind-Barath Trademark and the Ind-Barath Logo are important for our business. We cannot assure you whether we will be granted these applications in a timely manner, or at all, which may adversely affect our ability to conduct our business, as well as affect our goodwill, and consequently, our results of operations.

39. *Estimates of coal resources are subject to assumptions, and if the actual amounts or quality of such resources are less than estimated, our results of operations and financial condition may be adversely affected.*

The resource estimates and the calorific value of our coal resources are based on various assumptions, such as interpretations of geological data obtained from sampling techniques and projected rates of production in the future. Further, these semi-explored blocks would require further confirmatory drilling, based on which actual reserves and production levels including the calorific values will be ascertained. The initial phase of development before production may take longer than we anticipate and could lead to delays in power project implementation schedules. The economic feasibility of exploiting a discovery may change as a result of changes in the market price for coal during the development period. If the quantity or quality of our coal resources has been overestimated, we may have to source the required coal in the open market. Prices for coal in the open market may exceed the cost at which we currently obtain coal and may not be available at short notice, which would cause our costs to increase and cause delays in obtaining adequate fuel and consequently adversely affect our business, financial condition and results of operations.

Many of the factors, assumptions and variables involved in estimating resources are based on data that are currently available and subject to variations over time. These estimates may change because of new information from production or mining activities or changes in economic factors. Resources estimates may also be subject to correction due to the application of published rules and guidance. Results of exploratory drilling, testing and production after the date of the estimates may require upward or downward revisions in our resource data, which could be significant. Any downward adjustment could lead to lower future production and thus adversely affect our business, results of operations, financial condition and cash flows.

Substantial uncertainties exist with regard to estimation of resources. Resources are defined as quantities of coal which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations. Such resources relate to undiscovered accumulations, are highly speculative and might not result in the successful discovery of economically viable resources, in which case there would be no commercial development.

The resource information included in this Draft Red Herring Prospectus is not intended to comply with the reporting requirements of the Securities and Exchange Commission. There are currently no clear regulations governing public disclosure of resources by mining companies operating in India or their use in securities offering documents. Our ability to make disclosure of our resources estimates would be subject to any changes in law, regulation or guidelines that may occur and we may be restricted or prevented from making such disclosure in the future as a result of any such changes.

Risks Related to our Power Projects

40. *We face regulatory, price and realisation risks as a significant portion of our generating capacity is sold on merchant basis.*

There is a limited operational history of merchant power plants in India. Currently four of our operational power projects, representing 89.2% of our power generated, sell power on merchant basis. For the fiscal year 2009 and the nine months ended December 31, 2009, we sold a substantial proportion of total power generated on a merchant basis. The risks related to merchant power projects include:

- *Regulatory risk.* Although merchant power plants are not currently subject to the same regulations as state utilities in India, there have been proposals in the past to regulate merchant power plants. Proposals to regulate merchant power projects could include the regulation of the demand and supply of power generated by these projects, the merchant power plants' access to the electricity grid and the tariffs that these plants may charge their customers. Such proposals, if enacted, could limit the amount of power we may generate or supply to our customers on merchant basis or the revenues we receive in consideration for the supply of power.

- *Unfavourable demand or supply.* In the event of unfavourable demand or supply, we may not be able to obtain favourable prices for power generated. In the absence of off-take agreements, this may have an adverse effect on our results of operations and financial position.

Further, certain states within India have adopted a policy that, in cases of power shortages within the state, all power generated in the state may only be sold within the state. Further, in certain cases, the power may only be sold to the state government and the cost at which the power is sold is determined by the state government. Such restrictions may have an adverse effect on our business, results of operations and financial condition.

41. *Several of our large capacity projects are geographically concentrated, which could have an adverse effect on our business and results of operations.*

Once all of our power projects under implementation and planned power projects are commissioned, we shall have five power plants in the state of Tamil Nadu and one power plant in the state of Orissa, which will aggregate approximately 98.9% of our total capacity, while our remaining power plants will be spread across other states in India. Any significant social, political or geological disruption in the states of Tamil Nadu or Orissa, or changes in the state or local governments, even on a short-term basis, could impair our ability to meet our obligations under the power purchase agreements and other agreements on a timely basis, which could have an adverse effect on our business and results of operations.

42. *We face considerable execution risks with respect to our power projects under implementation and our planned power projects. If we are unable to commence operations of these projects as expected or at all, our business prospects, financial position and results of operations may be adversely affected.*

We currently have five power projects under implementation aggregating 1,728.0 MW of capacity, which is significantly more than the 290.6 MW of capacity that is operational. Prior to financial closure or commencing construction, we need certain key approvals and/or documents from various government entities at the Indian central and state government level. These include memoranda of understanding, letters of intent, approvals for land acquisition, environmental clearances, entering into fuel supply, plant and equipment procurement, or financing agreements. For example:

- We have either not yet commenced or are still in the process of acquiring land for our planned power projects and one of our power projects under implementation;
- We do not have environmental approvals nor have achieved financial closure nor have detailed project reports for our planned projects;
- We have not entered into binding arrangements for fuel supply, plant and equipments procurement and/or off-take in respect of some of our projects under implementation and our planned power projects.
- The receipt of letters of assurance for supply of coal for one of our projects under implementation is subject to submission of a commitment guarantee either in cash or by bank guarantee by us.

We cannot assure you that we will obtain these approvals, consents, memoranda or letters or enter into binding documentation which means that all of our power projects under implementation and planned power projects are at risk of being delayed or not proceeding at all. For example, a newspaper article, published in a national daily, stated that the Ministry of Coal may cancel the letter of assurance for supply of coal to IBEUL on account of failure to achieve financial closure within the stipulated period, as per the terms of the letter of assurance. Although, we have submitted our clarifications to the Ministry of Coal informing them that all relevant documents evidencing the achievement of milestones have been submitted as per the letter of assurance, we cannot assure you that the letter of assurance will not be cancelled by the Ministry of Coal or that we will be able to enter into a subsequent fuel supply agreement for IBEUL.

The scheduled completion targets for our power projects are estimates and are subject to delays as a result of, among other things, contractor performance shortfalls, equipment and supply shortages, unforeseen engineering problems, disputes with workers, *force majeure* events, availability of financing, unanticipated cost increases or changes in scope and inability in obtaining certain property rights, fuel supply and government approvals, any of which could give rise to cost overruns or the termination of a power project's implementation. For example, the power projects currently under implementation by DHPL and IBPGL have experienced cost overruns and there can be no assurance that further costs will not be incurred in the future. Additionally, we have experienced historical cost overruns during the implementation of certain of our operational power projects. For further details, see "History and Certain Corporate Matters" on page 214.

There can be no assurance that our power projects will be completed in the time expected, or at all, or that their gestation period will not be affected by any or all of these factors. We cannot assure you that all potential liabilities that may arise from delays or shortfall in performance, will be covered or that the damages that may be claimed from such contractors shall be adequate to cover any loss of profits resulting from such delays, shortfalls or disruptions. In addition, failure to complete a power project according to its original specifications or schedule, may give rise to potential liabilities and could render certain benefits available under various government statutes, such as deduction of 100.0% of the profits derived from the power generation being unavailable and concession customs duties on imports being unavailable, as a result, our returns on investments may be lower than originally expected.

43. ***The construction and operation of our power projects or mining operations may face significant opposition from local communities and other parties, which may adversely affect our results of operations and financial condition.***

The construction and operation of power projects and mines may face opposition from local communities and special interest groups. In particular, local communities, the forest authorities and other authorities may oppose mining operations due to the perceived negative impact that mining may have on the environment. Significant opposition by local communities, non-governmental organisations and other parties to the construction of our power projects and mining operations may adversely affect our results of operations and financial condition. For example, we relocated our proposed power project from Karwar, Karnataka to Thoothukudi, Tamil Nadu, due to delays in project implementation as a result of protests of local political and environmental groups. In response to the perceived adverse affect of mining operations on the environment, there have also been instances of public protests in Indonesia against such operations. See "Risks Relating to Indonesia – Social instability and increasing regional autonomy in Indonesia could adversely affect our business, financial condition and results of operations".

44. ***Our power projects require diverse types of fuel to generate electricity and any failure to acquire such fuels in a timely manner or at competitive prices may have an adverse effect on our business, results of operations and financial condition.***

Our operational power projects use diverse types of fuel, such as coal, biomass and natural gas. A key factor in the success of our projects is the ability to source fuel at competitive prices and in sufficient quantities. Certain of our operational power projects have the ability to burn a mix of fuels. In the past, we have used alternatives to biomass because of high biomass fuel prices and non-availability of biomass fuel. We cannot assure you that this will not happen again or that we will be able to source affordable alternative fuels in future. The natural gas-based power project owned and operated by AERL utilises natural gas as fuel, a portion of which is purchased at fixed prices based on the Government of India's Administered Price Mechanism ("APM"). These prices are set by the Government of India and increases in the APM price may have an adverse effect on our business and results of operations.

Since all but one of our power projects under implementation and planned power projects are coal-based power projects, our future success will significantly depend on, among other things, our ability to source coal at competitive prices and from varied sources. Currently, our coal-based power projects depend on fuel supply arrangements with only a few coal suppliers. Coal delivery is vulnerable to disruptions due to weather, labour relations and any delay in the delivery of coal, including shipping and transportation delays in the case of imported fuel and delays due to difficulties in enforcing our rights under coal supply agreements in Indonesia. Generally, our fuel supply agreements do not restrict our suppliers from selling fuel to our competitors or other consumers. If a fuel supplier fails, or is unable to deliver fuel as scheduled or contracted for, or if the fuel supply to one or more of our power plants is otherwise disrupted, we may not be able to make alternative arrangements

in a timely and cost-efficient manner, if at all. As a result, such disruption could adversely affect the operations of our power plants, which, in turn, could have an adverse effect on our financial condition, results of operations and business prospects. Moreover, domestic coal allocations are regulated by the GoI. We cannot assure you that we will be allocated an adequate quantity of coal to satisfy the necessary fuel requirements of our power plants. In addition, we may not be successful in entering into a binding fuel supply agreement in relation to the letters of assurance that we have received for some of our projects. Further, if we are unable to comply with the conditions laid down in the letter of assurance, the Ministry of Coal may cancel the letter of assurance for fuel supply, which could disrupt the operations of our power plants.

In addition, in the past, firm commitments under some of these agreements have not materialised and we cannot guarantee that this may not occur in the future. Our suppliers are required to pay us a penalty in cases of undersupply, but these penalties are often capped monetarily and do not provide for an alternative source of fuel. Moreover, these penalties may not be sufficient to cover any difference in price between our contracted prices and prevailing market prices. Some of our fuel supply agreements are subject to pricing risk whereby the pricing of the fuel is unilaterally controlled by the supplier, such as in the case of natural gas in India. For example, under the terms of our natural gas supply agreement with Gas Authority of India Limited (“GAIL”), GAIL has not supplied adequate quantities of natural gas, which has led to AERL’s natural gas-based power plant operating below desired levels. Any failure to operate our power plants at desired load factors would have an adverse effect on our business and results of operations.

45. *Failure to enter into off-take arrangements with respect to our power projects in a timely manner and on terms that are commercially acceptable to us could adversely affect our business, financial condition and results of operations.*

Currently, power plants are not permitted to sell electricity directly to retail power consumers. Thus, for our current and future power projects, we are limited to selling power to state utility companies, electricity boards, industrial consumers and licensed power traders. We cannot assure you that we will be able to enter into off-take arrangements on terms that are favourable to us, or at all. Failure to enter into such off-take arrangements in a timely manner and on terms that are commercially acceptable to us could adversely affect our business, financial condition and results of operations.

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

46. *If power evacuation facilities are not made available by the time our power projects are ready to commence operations, we may incur significant transmission costs and our operations could be adversely affected.*

Evacuation or “wheeling” power from our power plants 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. For evacuating power from our power plants, we are generally responsible for constructing part of the long distance transmission lines at our cost. 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. For example, IBPGL’s 126.0 MW coal-based power project was commissioned on February 1, 2010 but the two 63.0 MW units that make up the project were synchronised in September 2009 and January 2010, respectively. However, due to delays in the construction of adequate transmission infrastructure, we were forced to delay our commencement of commercial operation to February 2010. We cannot assure you that such delays will not occur in the future and such delays may have an adverse effect on our business, results of operations and financial condition. In addition, wheeling charges may rise over time and we may be unable to pass on these costs to our customers, in which case our financial position and results of operations could be adversely affected.

47. ***Our success depends on the reliable and stable supply of water to our power 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.***

Most of our power projects require a substantial amount of water, which is critical to the operation of our power projects. For some of our projects, such as RRREL, the allocated water for the project is less than the actual requirement. In such cases, we typically source water from private third parties. In the event of water shortages, our power projects may be required to reduce their water consumption, which could reduce their power generation capability. Further, if we do not receive and renew the necessary approvals and licenses for water use from the respective government authorities, we will have to find alternative sources for water supply, which we may not be able to accomplish in a timely manner or at all, thus having an adverse effect on our business and results of operations. In addition, certain of our Subsidiaries, such as IBETL, IBEML and IBTPL, rely entirely on purchases on the spot market from private water tankers and have not entered into water supply contracts. Such reliance on the spot market may lead to exposure to price volatility and any shocks to demand or supply. Consequently, our Subsidiaries' failure to enter into supply contracts may have an adverse effect on our business, results of operations and financial condition.

48. ***We depend on various contractors or specialist agencies to construct, develop, operate and maintain our power projects, some of whom supply sophisticated and complex machinery to us and we are exposed to risks relating to the timing or quality of their services, equipments and supplies.***

We depend on the availability of skilled third party contractors for the development, construction, operation and maintenance of our power projects and supply of certain key equipment, including boilers, turbines and generators. We do not have direct control over the timing or quality of services, equipment or supplies provided by these contractors. In addition, as a result of increased industrial development in India in recent years, the demand for contractors with specialist design, engineering and project management skills and services has increased, resulting in a shortage of and increasing costs of such contractors. We cannot assure you that such skilled and experienced contractors will continue to be available at reasonable rates in the areas in which we conduct our operations, and we may be exposed to risks relating to the quality of their services, equipment and supplies. In addition, we require the continued support of certain original equipment manufacturers to supply necessary services and parts to maintain our power projects at affordable cost. If we are not able to procure the required services or parts from these manufacturers, or if the cost of these services or parts exceeds the budgeted cost, there may be an adverse effect on our business, financial condition and results of operations. Contractors and suppliers in our business are generally subject to liquidated damage payments for failure to achieve timely completion or performance shortfalls. However, liquidated damages are often capped at a percentage of the contract price, so we may not be able to recover the full amount of losses that may be suffered by us due to such failure to achieve timely completion or performance shortfalls.

49. ***Significant increases in prices or shortages of building materials and key equipment could increase our costs of construction, which will have an adverse effect on our business, financial condition and results of operations.***

The costs of construction of our power projects are significantly affected by the availability, cost and quality of raw materials and equipment. The principal raw materials used in construction of power projects include cement and steel. The prices and supply of these and other raw materials depend on factors beyond our control, including general economic conditions, competition, production levels, transportation costs and import duties. Price increases or shortages in these raw materials could adversely affect our ability to develop our power projects in line with our projected budget and we may not be able to complete our power projects as scheduled, which would have an adverse effect on our business, financial condition and results of operations. For example, DHPL's Maujhi II 5.0 MW hydroelectric power project had an originally scheduled date of synchronisation of January 18, 2009. We now expect synchronisation to take place in June 2010. Under the terms of the implementation agreement signed with the State Government of Himachal Pradesh, we may be liable to pay liquidated damages for such delays. As of March 31, 2010, we have not paid any penalties in relation to this agreement. Such delays and any applicable penalties may have an adverse impact on our business, results of operations and financial condition.

Price increases or shortages in equipment could adversely affect our ability to develop projects within our projected budgets and we may not be able to complete our projects as scheduled. The boiler, turbine and generator package is a major component in our power plants and any delay in placing orders or obtaining delivery will have an adverse impact on our financial condition, results of operations or business prospects. The prices and supply of the boiler, turbine and generator package or other equipment depend on factors not under our control, including general economic conditions, competition, production levels, transportation costs and import duties.

50. ***Our success depends on stable and reliable transportation infrastructure. Disruption of transportation services could affect our operations.***

We depend on various forms of transport, such as roadways, railways, shipping and pipelines to receive fuel, raw materials and water during the construction and operation of our power projects. The building of transportation infrastructure entails obtaining approvals, rights of way and subsequent development by the GoI or the state governments and their nominated agencies, or us. As a result, we will not have complete 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 or operated or maintained on a cost effective basis and at adequate levels, which may affect the estimated commissioning dates of our power projects. Undertaking such development will require significant capital expenditure and active engagement with the government and its agencies responsible for organising transport infrastructure. Further, disruptions of transportation services because of weather-related problems, strikes, inadequacies in the road or rail infrastructure, or other events could impair the ability of our suppliers to deliver fuel and raw materials and may have an adverse impact on our operations.

51. ***Activities in the power generation business can be dangerous and can cause injury to people or property in certain circumstances, which could adversely affect our business, financial condition and results of operations.***

The power generation business requires us to work under potentially dangerous circumstances, with highly flammable and explosive materials. Despite compliance with requisite safety requirements and standards, our operations are subject to the hazards associated with handling of such dangerous materials. If improperly handled or subjected to unsuitable conditions, these materials 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 the cost of health related claims, or the cost of removal or treatment of such substances, including claims and litigation from our current or former employees for injuries arising from their occupational exposure to materials or other hazards at our power plants. For example, in 2009, an accidental fire at our feedstock yard at the biomass-based power project owned and operated by IBEML caused significant disruption to IBEML's power generation. We were also forced to replenish our fuel supply at considerable cost. Similar incidents or other hazards could subject us to disruptions or legal or regulatory proceedings, which could adversely affect our business, financial condition and results of operations.

External Risks

Risks Relating to Indonesia

Our Subsidiary, PT Indbharath Energy, indirectly owns four mining entities in Indonesia. As of May 20, 2010, these mining entities represent our only foreign captive source of fuel supply. As a result, future political, economic and social conditions in Indonesia, as well as certain actions and policies the government of Indonesia may take or adopt, or omit from taking or adopting, could have an adverse effect on our business, financial condition and results of operations.

52. ***The recently enacted Indonesian Law on Mineral and Coal Mining and the regulations expected to be promulgated thereunder could adversely affect our coal mining concessions, licenses and authorisations and our operations, business, financial condition and results of operations.***

On December 16, 2008, the Indonesian Parliament adopted Law No. 4 of 2009 on Mineral and Coal Mining, and this law came into effect on January 12, 2009 (the “New Mining Law”). Some of the key provisions of the New Mining Law include the following:

- the Government of Indonesia will have substantial oversight and control over regional and provincial governments who may be responsible for issuing and administering licensing.
- the former contract of work system for foreign investment in mining projects has been replaced by a system of mining licenses;
- equal treatment for foreign and domestic investment in mining licenses (except for limited priority for state-owned companies in “strategic” mining) has been affirmed;
- limitations on the length of the exploration and production periods and the size of the exploration and production areas have been imposed;
- mining can only be conducted in areas designated by the government of Indonesia as being eligible for mining;
- new minerals and coal mining licenses are required to be awarded through a transparent tender process (similar to the existing licensing regime for oil and gas concessions in Indonesia);
- a requirement for all license holders to comply with environmental and mine closure obligations has been included;
- license holders are required to process the minerals they mine or extract within Indonesia, with existing holders of contracts of work which are producing minerals given five years to comply;
- it is required that the mining operators should have mining plans for the entire concession area, failing which, such areas could be awarded to other operators;
- priority is required to be given to “local” mining service contractors;
- mining services contracts between mining license holders and their related parties are prohibited (subject to certain limited exceptions);
- foreign investment companies holding mining licences will be required to divest to Indonesians within 5 (five) years of commencing production (but specifics of divestment will be subject to regulation); and
- the holder of an exploration license who has complied with the requirements of the license is guaranteed a production license.

The New Mining Law provides that existing contracts will continue to be valid until their expiry, but that the contract terms of the existing contracts must be modified within one year to bring them into line with the New Mining Law. However, the New Mining Law is not clear as to which of its provisions will require amendments to existing contracts to bring those contracts into conformity. The New Mining Law states that further Government of Indonesia regulations are expected to be issued to implement the domestic market obligation.

While the New Mining Law provides a new general framework for the regulation of the mining industry in Indonesia, the implementation and administration of the New Mining Law is subject to two Government of Indonesia Regulations No. 23 of 2010 concerning the Implementation of Mineral and Coal Mining Business Activities (“Government of Indonesia Regulation No. 23/2010”) and No. 22 of 2010 concerning Mining Activities (“Government of Indonesia Regulation No. 22/2010”). We may be required to align certain provisions of our contracts of work for mining concessions operated by the four mining companies and the *Kuasa Pertambangan* (“KP”) or mining authorisation from the local government for mines operated by our Indonesian partners with the New Mining Law’s provisions, including, for instance, the required re-sizing of mining areas, a reduction in permitted production periods and acreage, and the prohibition on use of affiliated mining contractors. Under the New Mining Law, we were required to align these provisions no later than one year after the enactment of the New Mining Law (which was approximately January 12, 2010). Negotiation and agreement on any amendments to our coal contracts of work and mining authorisations may require us to commit significant cost and resources to comply with the New Mining Law and the Government of Indonesia regulations promulgated under that law.

The legal uncertainty raised by the adoption and implementation of the New Mining Law and the passing of the one year deadline has increased the risks, and may increase the costs, involved in our mining operations. Further, the implementation regulations expected to be issued by the Government of Indonesia in the future may impose significant changes to the regulation of the Indonesian mining industry which may be adverse to our interests. Our compliance with the New Mining Law and its implementing regulations may increase our operating costs in the future which could adversely affect our business, financial condition and results of operations.

53. *New laws, rules, regulations, decrees or promulgations by the government of Indonesia could adversely affect our operations and business.*

Our coal mining operations are regulated by the Government of Indonesia primarily through the Indonesian Ministry of Energy and Mineral Resources, as well as the Indonesian Ministry of Forestry, the State Ministry for Environmental Affairs and the Investments Coordinating Board. In addition, the regional governments where our concession area or coal mining and trading contract are located can enact regulations that affect us. Over the last 20 years, the Government of Indonesia has promulgated many new laws, rules, regulations and decrees affecting the Indonesian mining industry in general.

The Government of Indonesia may also make decisions or declarations that are not consistent with our rights under our coal mining and trading contract and our recent conversion from the KP mining authorisation to *Izin Usaha Pertambangan* (“IUP”) mining license. A new investment law was passed by the Indonesian House of Representatives on March 29, 2007 and signed into law by the President of Indonesia on April 26, 2007 (the “2007 Investment Law”), replacing the previous foreign investment law. The 2007 Investment Law is aimed at unifying regulations applying to both foreign and domestic investment in Indonesia. The 2007 Investment Law provides, among other things, for the possible termination of agreements and cooperation contracts between the government of Indonesia and a foreign investor, should the investor be found guilty of corporate crimes which have been determined by a final and binding court decision, including breach of taxation regulations and illegal actions concerning a mark-up on cost recovery and other forms of cost mark-ups which result in losses to the company (upon a finding or audit by government of Indonesia officials).

On July 23, 2007, a new company law, Law Number 40 of Year 2007 (the “2007 Company Law”) was passed by the Indonesian House of Representatives, and, on August 16, 2007, signed into law by the President of Indonesia. The 2007 Company Law requires companies operating in natural resource industries, including coal mining, to undertake a corporate “social and environmental responsibility” to itself, the local community in which it operates and the general public. This responsibility is defined as a commitment to take part in sustainable economic development in order to improve the quality of life and the environment for the benefit of the company itself, the local community and the general public. However, the specific types of activities which a company must undertake to comply with this obligation are not enumerated in the 2007 Company Law. The specific requirements related to this obligation may be included in the implementing regulations for the 2007 Company Law issued after the date of this Draft Red Herring Prospectus. Our compliance with this general obligation or its future implementing regulations may increase our operating costs in the future.

A new energy bill was passed by the Indonesian House of Representatives on July 17, 2007 and came into full force and effect on August 10, 2007 (the “2007 Energy Law”). The 2007 Energy Law has become the “umbrella” law that provides guidance for the implementation of Indonesia’s Oil and Gas Law of 2001, Geothermal Law of 2003, Water Resources Law of 2004, Nuclear Power Law of 1997, Basic Mining Law of 1967 and Electricity Business Law of 1985 and is expected to provide guidance for the implementation of the New Mining Law and a new electricity law which is currently under consideration by the House of Representatives. The 2007 Energy Law stipulates that business entities conducting activities in the field of energy are obligated to, among other things, empower the local community, preserve and maintain environmental conservation, facilitate research and energy development activities, facilitate education and training in the field of energy and participate in the conservation of national energy. The 2007 Energy Law provides that failure to comply with these obligations to participate in the conservation of national energy may result in the imposition of disincentives and penalties by the government of Indonesia.

54. ***Political and social instability in Indonesia may adversely affect the economy, which in turn could have an adverse effect on our business, financial condition and results of operations.***

Indonesia is a Republic with a President, a Vice President and a Parliamentary form of government. From its independence in 1945 until 1998 it has only had two Presidents. At the end of each term of each of these Presidents, Indonesia experienced political instability and many cities in Indonesia, including the capital, Jakarta, experienced rioting, unrest and destruction of property.

Changes in the government of Indonesia and government of Indonesia policies may have a direct effect on our business. In recent years, the Government of Indonesia has raised the price of various fuels, including premium gasoline, regular gasoline, diesel and kerosene, by cutting the level of government subsidies for each fuel. Similar fuel subsidy cuts contributed to the political instability that led to the resignation of then President Suharto in 1998, which had adverse effects on businesses in Indonesia. There can be no assurance that the recent cuts in fuel subsidies, or further cuts in the future, will not result in political and social instability. Our business may be affected by similar government of Indonesia actions including, but not limited to, changes in crude oil or natural gas policy, responses to war and terrorist acts, renegotiation or nullification of existing concessions and contracts, changes in tax laws, treaties or policies, the imposition of foreign exchange restrictions and responses to international developments.

Indonesia has experienced frequent social and civil unrest arising from economic issues which has, on occasion, escalated into riots and violence. For example, after Government of Indonesia-mandated increases in the domestic price of fuel, there were large street demonstrations by those opposed to the increases.

Political and related social developments in Indonesia have been unpredictable in the past, and we cannot assure you that social and civil disturbances will not occur in the future, or that any such disturbances will not, directly or indirectly, have an adverse effect on our business, financial condition and results of operations.

55. ***Terrorist activities in Indonesia could destabilise the country, thereby adversely affecting our businesses.***

Since 2000, several bombing incidents directed against the government of Indonesia and the public and commercial buildings frequented by foreigners have taken place in Indonesia. There can be no assurance that further terrorist acts will not occur in the future. Terrorist acts could destabilise Indonesia and increase internal divisions within the government of Indonesia as it evaluates responses to that instability and unrest. Violent acts arising from, and leading to, instability and unrest have in the past had, and may continue to have, an adverse effect on investment and confidence in, and the performance of, the Indonesian economy, which could have an adverse effect on our business, financial condition and results of operations. In addition, although such terrorist acts have not in the past targeted the Indonesian coal industry or our assets or those of our customers, there can be no assurance that they will not do so in the future. Our current mining insurance policies do not provide coverage for losses resulting from terrorist attacks. Any terrorist attack including damage to our infrastructure or that of our customers could cause interruption to parts of the business and adversely affect our financial condition and results of operations, as well as investors' confidence in Indonesia.

56. ***Labour activism could adversely affect us, our customers, our contractors and Indonesian companies in general, which in turn could affect our business, financial condition and results of operations.***

Laws permitting the formation of labour unions combined with weak economic conditions, have resulted, and may in the future result, in labour unrest and activism in Indonesia. In 2000, the government of Indonesia issued a labour regulation increasing the amount of severance, service and compensation payments payable to terminated employees. Employees who resign during a change of control of their employer are also entitled, under the regulation, to severance, service and compensation payments, provided that such employees have worked for their employer for at least one year to be able to receive severance payment, three years to receive service payment and at least 15.0% of unused benefits for any period of employment. The Government of Indonesia enacted a labour law on March 25, 2003 that permits employees to form unions without intervention from their employers. These labour laws and regulations may make it more difficult for businesses, including our business, to maintain flexible labour policies. Furthermore, there can be no assurance that labour unrest and activism in Indonesia will not occur in the future, or that any such unrest or activism will not have an adverse effect on investment and confidence in, and the performance of the Indonesian economy, and in turn on us. Any significant labour dispute or labour action that we or our contractors experience could have an adverse effect on our business, financial condition and results of operations.

57. ***Indonesia is located in an earthquake zone and is subject to significant geological risk that could lead to social and economic unrest.***

The Indonesian archipelago is one of the most volcanically active regions in the world. Because it is located in the convergence zone of three major lithospheric plates, it is subject to significant seismic activity that can lead to destructive earthquakes and tsunamis, or tidal waves. Major earthquakes have affected Indonesia over the last decade. Such earthquakes have caused numerous deaths and excessive damage. Going forward, a significant earthquake or other geological disturbance in any of Indonesia's more populated cities and financial centres could severely disrupt the Indonesian economy and undermine investor confidence, thereby adversely affecting our business, financial condition and results of operations.

Risks relating to India

58. ***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.

59. ***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 expect to incur indebtedness denominated in foreign currencies to finance the implementation of certain power projects. We have entered into financing arrangements and coal supply agreements that are denominated in U.S. Dollars. Accordingly, any depreciation of the Rupee against the U.S. Dollar will significantly increase the Rupee cost of servicing and repaying our foreign currency payables. If we are unable to recover the costs of foreign exchange variations through our tariffs, depreciation of the Rupee against foreign currencies may adversely affect our results of operations and financial condition.

60. ***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.

61. ***The occurrence of natural or man-made 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.

62. *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 results 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, there can be no assurance 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.

63. *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.

64. *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.

65. *Our failure to successfully adopt IFRS could have an adverse effect on the price of our Equity Shares.*

The Institute of Chartered Accountants of India, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of, and convergence of Indian accounting standards with, IFRS. The Ministry of Corporate Affairs of the Government of India, through a press release dated January 22, 2010, has prescribed a roadmap for convergence of Indian Accounting Standards with IFRS. We have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholder's equity will not appear to be worse under IFRS than under Indian GAAP. As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems and internal controls. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS could have an adverse effect on the price of our Equity Shares.

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

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

67. ***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.

68. ***There may be less information available about the companies listed on the Indian securities markets compared with information that would be available if we were listed on securities markets in developed countries.***

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the United States and other more developed countries. SEBI is responsible for approving and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about companies listed on an Indian stock exchange compared with information that would be available if that company was listed on a securities market in a developed country.

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

Our articles of association, regulations of our board of Directors and Indian law govern our corporate affairs. Legal principles related to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

Risks relating to the Investment in Equity Shares

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

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian power 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.

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

The Indian securities markets are smaller than the securities markets in more developed economies in the past. 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.

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

Capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realised on the sale of our Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax ("STT"), has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realised on the sale of our Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of our Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. For more information, see "Statement of Tax Benefit" on page 111. However, capital gains on the sale of our Equity Shares purchased in the Issue by residents of certain countries may not be taxable in India by virtue of the provisions contained in the taxation treaties between India and such countries. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of Shares.

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

The Equity Shares will be listed on the BSE and the NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Upon receipt of final approval from the Designated Stock Exchange, trading in the Equity Shares is to commence within twelve Working Days of the date of closure of the Issue. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above.

74. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the BSE and the NSE in a timely manner or at all and any trading closures at the BSE and the NSE may adversely affect the trading price of our Company's Equity Shares.*

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

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

75. ***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.

76. ***Investors may not be able to enforce a judgment of a foreign court against us.***

We are a limited liability company incorporated under the laws of India. All of the directors and executive officers named herein are residents of India and substantially all of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside India or enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgment is provided for under Section 13 and Section 44A of the Civil Procedure Code on a statutory basis. Section 13 of the Civil Procedure Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Procedure Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be in reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties.

The United Kingdom, Singapore and Hong Kong have been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Procedure Code, and not by proceedings in execution. The suit must be brought in India within 3 years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian Court would enforce foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered and any such amount may be subject to income tax in accordance with applicable laws.

Notes to risk factors

- Public issue of • Equity Shares of Rs. 10.00 each of for cash at a price of Rs. • per Equity Share (including a share premium of Rs. • per equity share) aggregating to Rs. • million, comprising of a Fresh Issue of up to • Equity Shares by the Company aggregating up to Rs. 11,400.00 million and an Offer for Sale of up to 6,465,148 Equity Shares by CVCII Selling Shareholders, up to 1,000,000 Equity Shares by UTI and up to 1,300,000 Equity Shares by Sriba Seabase Private Limited.
- Our Company is also considering a Pre-IPO Placement of up to 2,900,000 Equity Shares and aggregating up to Rs. 1,700.00 million with various investors. The Pre-IPO placement is at the discretion of our Company. Our Company will complete the issuance and allotment of such Equity Shares prior to the filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue paid-up capital being offered to the public.
- This Issue is being made for less than 25% of the post-Issue capital pursuant to Rule 19(2)(b)(ii) of the SCRR read with Regulation 41(1) of the SEBI ICDR Regulations. The Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations. Further, this Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis out of which 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Our Company may allocate up to 30% of the QIB Portion to the Anchor Investors on a discretionary basis. One third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price.
- Our Company was incorporated on February 17, 1995 at Hyderabad as Kanumuri Holdings Private Limited, under the provisions of the Companies Act, 1956. Subsequently, by a fresh certificate of incorporation dated October 18, 2006 our name was changed to Ind-Barath Power Infra Private Limited. Our Company was converted into a public limited company on May 28, 2008 with the name Ind-Barath Power Infra Limited and received a fresh certificate of incorporation consequent upon change in status on May 29, 2008 from the RoC.
- The net worth of our Company as of December 31, 2009 as per unconsolidated and consolidated financial statements included in this Draft Red Herring Prospectus is Rs. 3,964.91 million and Rs. 5,959.93 million, respectively.
- The net asset value per Equity Share as of December 31, 2009 as per restated unconsolidated financial statements is Rs. 43.37. The net asset value per Equity Share as on December 31, 2009 as per restated consolidated financial statements is Rs. 65.19.
- The average cost of acquisition of Equity Shares of our Company by our Promoters is as follows:

Name of Promoter	No. of Equity Shares held	Average Price per Equity Share (in Rs.)
K. Raghu Ramakrishna Raju	5,576,982	4.11
K. Rama Devi	2,547	3.92
Sriba Sea Base Private Limited	31,779,405	11.19

- Except as disclosed in “Capital Structure” on page 72, our Company has not issued any Equity Shares for consideration other than cash.

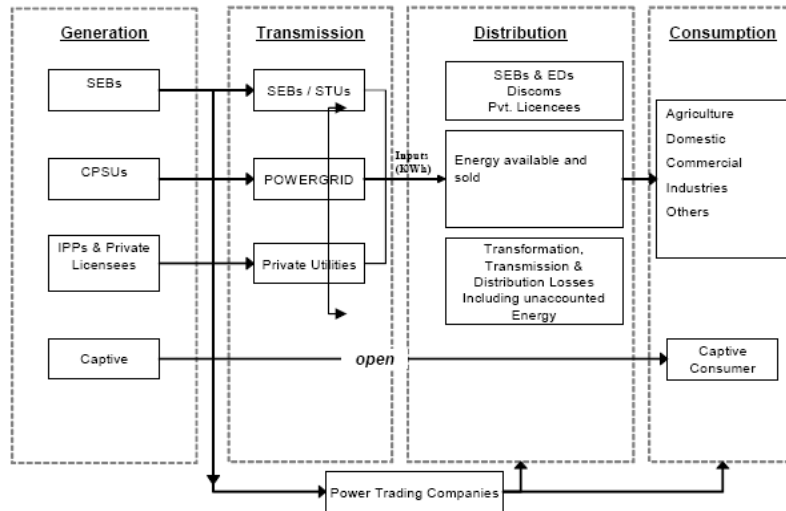
- Except as disclosed in “Capital Structure” on page 72, the Promoters, Promoter Group and Directors of our Company have not undertaken any transactions in the Equity Shares of our Company during a period of six months preceding the date of this Draft Red Herring Prospectus.
- Except as disclosed in “Objects of the Issue”, “Our Management”, “Our Promoter and Group Companies” and “Our Subsidiaries” on pages 93, 239 and 256, none of the Promoter, Directors and key managerial employees have any interest in our Company except to the extent of any remuneration and reimbursement of expenses and to the extent of any Equity Shares or employee stock options held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding.
- Our Company has not made any loans or advances to any person or company in which the Directors are interested, except as disclosed in the section titled “Annexure – XIII – Statement of loans and advances” and “Financial Statements” beginning on pages 339 and 270 respectively,.
- Investors may contact the BRLMs and the Compliance Officer for any complaints, information or clarifications pertaining to the Issue.

SECTION III: INTRODUCTION

SUMMARY OF OUR INDUSTRY

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

Industry Demand-Supply Overview

The Indian power sector has historically been characterised by energy shortages which have been increasing over the years. In the period from April 2009 to March 2010, peak energy deficit was estimated to be at 13.3%. The following table sets forth the peak and normative shortages of power in India from 2003 to March 2010:

Fiscal Year	Peak		Shortage	
	Requirement (MW)	Availability (MW)	(MW)	(%)
2003	81,492	71,547	9,945	12.2
2004	84,574	75,066	9,508	11.2
2005	87,906	77,652	10,254	11.7
2006	93,255	81,792	11,463	12.3
2007	100,715	86,818	13,897	13.8
2008	108,866	90,793	18,073	16.6
2009	109,809	96,685	13,124	12.0
April 2009 – March 2010	118,472	102,725	15,748	13.3

(Source: CEA, "Power Scenario at a Glance", March 2010)

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, 2010 in terms of fuel source and ownership:

Sector	Hydro	Thermal				Nuclear	Renewable Energy Sources	Total
		Coal	Gas	Diesel	Total			
State	27,065.0	44,977.0	4,046.2	602.7	49,625.8	0.0	2,701.1	79,382.9
Private	1,233.0	8056.4	6,307.5	597.1	14,961.0	0.0	12,820.0	29,014.0
Central	8,565.4	31,165.0	6,702.2	0.0	37,867.2	4,560.0	0.0	50,992.6
Total	36,863.4	84,198.4	17,055.9	1,199.8	102,454.0	4,560.0	15,521.1	159,389.5

Source: CEA, "Power Scenario at a Glance", March 2010)

The Central and State governments together own and operate approximately 81.8% 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 February 28, 2010, thermal power plants account for 64.0% of India's installed capacity, within which 81.9% of the capacity is accounted for by coal-based plants, based on total available thermal capacity. *(Source: CEA "Power Scenario at a Glance", February 2010)*

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 has a pan-India network presence of around 71,500 circuit kilometres of transmission lines, 120 extra high voltage alternation current and high voltage direct current substations, and a total transformation capacity of 79,500 mega volt ampere. Approximately 45.0% of the total generating capacity in India is transmitted through PGCIL's system. *(Source: <http://powergridindia.com>).*

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:

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, however, also include sale of power under short-term PPAs 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>).

SUMMARY OF OUR BUSINESS

Overview

We are an established power generation company with eight operational power projects, which have a combined power generation capacity of 290.6 MW. We currently have five power projects under implementation, which will increase our combined power generation capacity by 1,728.0 MW. We are also planning to develop three thermal power projects at Jharsuguda, Orissa and Thoothukudi and Ramnathpuram, Tamil Nadu, with a combined power generation capacity of 1,337.5 MW. For the fiscal year 2009 and the nine months ended December 31, 2009, our consolidated total income was Rs. 2,506.24 million and Rs. 2,901.28 million, and consolidated net profit, as restated, was Rs. 253.68 million and Rs. 441.46 million, respectively.

We presently operate eight power projects in the states of Tamil Nadu, Andhra Pradesh, Maharashtra, Himachal Pradesh and Kerala.

Our Operational Power Projects

- *Coal-based power project* – Our 73.9% owned Subsidiary, Ind-Barath Power Gencom Limited (“IBPGL”), commissioned a 126.0 MW power project at Thoothukudi, Tamil Nadu, in February 2010.
- *Natural gas-based power project* – Our 81.0% owned Subsidiary, Arkay Energy Rameswaram Limited (“AERL”), commissioned a 95.3 MW power project at Ramnathpuram, Tamil Nadu in two phases in February 2006 and July 2006.
- *Biomass/coal-based power projects*
 - Our 79.2% owned Subsidiary, Ind-Barath Energies Maharashtra Limited (“IBEML”), commissioned a 20.0 MW power project at Nanded, Maharashtra in January 2009.
 - Our 72.3% owned Subsidiary, Ind-Barath Energies Thoothukudi Limited (“IBETL”), commissioned a 20.0 MW power project at Thoothukudi, Tamil Nadu in June 2006.
 - Our 99.7% owned Subsidiary, Raghu Rama Renewable Energy Limited (“RRREL”), commissioned an 18.0 MW power project at Ramnad, Tamil Nadu in October 2004.
 - Our 97.4% owned Subsidiary, Ind-Barath Energies Limited (“IBEL”), commissioned a 6.0 MW power project at Nalgonda, Andhra Pradesh in October 2000.
- *Hydroelectric power project* – Our 94.4% owned Subsidiary, Dharmshala Hydro Power Limited (“DHPL”), commissioned a 4.5 MW power project at Kangra, Himachal Pradesh in June 2004.
- *Wind-based power project* – Our Company commissioned a 0.75 MW power project at Idukki, Kerala in April 2008.

Our Power Projects Under Implementation

- *Coal-based power projects*
 - Our 73.9% owned Subsidiary, IBPGL is implementing an additional 63.0 MW unit at Thoothukudi, Tamil Nadu, which is expected to be commissioned by July 2010.
 - Our 79.4% owned Subsidiary, Ind-Barath Energy (Utkal) Limited (“IBEUL”), is implementing a 700.0 MW power project at Jharsuguda, Orissa. We expect that the first 350.0 MW unit of this power project will be commissioned by January 2012, and that the power project will be fully commissioned by March 2012.

- Our 99.96% owned Subsidiary, Ind-Barath Thermal Power Limited (“IBTPL”), is implementing a 300.0 MW power project at Thoothukudi, Tamil Nadu. We expect that the first 150.0 MW unit of this power project will be commissioned by March 2012, and that the power project will be fully commissioned by June 2012.
- Our 83.7% owned Subsidiary, Ind-Barath Power (Madras) Limited (“IBPML”), is implementing a 660.0 MW power project at Thoothukudi, Tamil Nadu. We expect the project to be commissioned by December 2013.
- *Hydroelectric power project*
 - DHPL is also in the process of implementing an additional 5.0 MW power project at Kangra, Himachal Pradesh, which is expected to be commissioned by June 2010.

Our Subsidiary, PT Indbharath Energy has the right to operate four mining entities located in Indonesia, which have the rights to, or are in the process of acquiring the rights to, coal resources of approximately 32.50 million metric tonnes. Resources are quantities of coal which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations. These mines are located in the Batulicin area of the South Kalimantan province.

In addition, power projects owned and operated by DHPL, IBEL, RRREL, IBEML and IBETL are registered under the United Nations Framework Convention on Climate Change (“UNFCCC”) and hence are eligible for generating and selling CERs under the Kyoto Protocol’s Clean Development Mechanism (“CDM”) project.

Our Competitive Strengths

We believe that we are well positioned to benefit from the growth opportunities in the Indian power sector because of the following competitive strengths:

Established Track Record in the Power Sector

We commissioned our first power project in the fiscal year 2001 and currently have operational generation capacity of 290.6 MW. We have successfully developed and presently operate eight power projects, of which five power projects have been operational for more than three years. We believe that our long and established track record of developing and operating power projects provides us with a competitive advantage in an industry where substantial growth is expected in India in the foreseeable future. Our track record is exemplified by our historical financial performance. Our consolidated income from the sale of electricity for the fiscal year 2009 and the nine months ended December 31, 2009 was Rs. 2,439.17 million and Rs. 2,713.29 million, respectively. Our consolidated net profit, as restated, for the fiscal year 2009 and the nine months ended December 31, 2009 was Rs. 253.68 million and Rs. 441.46 million, respectively.

Sale of Substantial Power Generated on Merchant Basis

The Expert Committee on Power estimates that 332 GW of additional power generation capacity will be required by the fiscal year 2022. (*Source: IEP Report, Expert Committee on Power*). We believe that due to the significant power deficit in India, the sale of power on merchant basis currently leads to better tariff realisations. 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. For the fiscal year 2009 and the nine months ended December 31, 2009, we sold a substantial proportion of our total power generated on merchant basis. We believe that due to a higher proportion of merchant sales, we are able to achieve relatively higher tariff realisations.

Strong Project Management Capabilities

We have significant project management experience having successfully commissioned eight power projects. We have developed an in-house project management and development team consisting of experienced professionals, which oversees key functions such as project planning, project financing, project execution and supplier and customer relationship management. We believe that our in-house project management capabilities leads to the effective management of costs and timelines associated with our projects. Our team also has prior exposure in implementing and operating power projects, and we believe that this is our key strength in view of the large size of the projects that we are implementing simultaneously.

Effective Management of Operational Costs

We manage our operational costs by utilising technologies which allow us to increase our efficiency. For example, the power project owned and operated by IBPGL and the power project under implementation by IBTPL utilise circulating fluidised bed combustion (“CFBC”) technology. CFBC technology allows us to burn a variety of fuel sources at relatively higher efficiencies while maintaining low sulphur and nitrogen oxide emissions. This makes CFBC technology a more cost effective and environmentally friendly alternative to traditional technology.

Visibility on Projects Expected to be Completed within the Next Three Fiscal Years

For all of our power projects under implementation, we have achieved financial closure and are in the process of acquiring the necessary land. The 5.0 MW hydroelectric power project at Kangra, Himachal Pradesh and the third unit of 63.0 MW of our coal-based power project at Thoothukudi, Tamil Nadu, are expected to be commissioned by June 2010 and July 2010, respectively. In addition, the 700.0 MW coal-based power project at Jharsuguda, Orissa and the 300.0 MW coal-based power project located at Thoothukudi, Tamil Nadu are expected to be fully commissioned by March 2012 and June 2012, respectively. Therefore, we anticipate progressively increasing our aggregate power generation capacity in the foreseeable future.

Locational Strength

The location of our power projects is a key strength because of their proximity to sources of fuel, customers or both. Our power projects’ proximity to sources of fuel allows us to save on significant transportation costs. For example, our power projects located at Thoothukudi are in close proximity to port facilities, which will allow for easier access to imported coal. Certain of our power projects’ are located in energy-deficient states. For example, as of March 31, 2010, approximately 89.5% of our current power generation capacity is located within the state of Tamil Nadu, which has a projected energy deficit of 25.8% for the fiscal year 2012, according to data prepared by the Central Electricity Authority.

Experienced Management Team

Our Promoter, K. Raghu Ramakrishna Raju, has over a decade’s experience in the power sector. We believe we are able to derive significant benefits from his leadership, experience and industry relationships. In addition, we have been successful in attracting and retaining experienced and qualified managerial and technical professionals. K. Sitaramam, Managing Director of IBTPL, has approximately 38 years of experience in the Indian banking sector. Jagannath Mohapatra, Director (Technical), former executive director of NTPC Limited, has over 30 years of experience in management positions at NTPC Limited. Pradeep Ghodke, President (Projects), has over 25 years of experience in the management of turn-key engineering projects in companies including the Tata Group, Thermax Limited and Walachandnagar Industries Limited. D. Madhusudhana Reddy, Director (Finance) of IBPGL, has approximately 18 years of experience in corporate finance and company secretarial functions and has been working for our Group since 1996. We believe that our management team has significant experience in financing, managing, implementing and operating power projects, and we believe this is one of our key competitive strengths in view of the large size of the projects that we are currently implementing. For further details, see “Our Management” on page 239.

Our Strategy

Continue to Focus on Coal-Based Power Projects

The power sector in India has historically been characterised by power shortages that have consistently increased over time. According to Central Electricity Authority data, the current power deficit has increased from 7.1% for the fiscal year 2004 to 11.0% and 13.3% for the fiscal year 2009 and the fiscal year 2010, respectively. We plan to benefit from such power deficits through our operational power projects and power projects under implementation and will continue to look at further opportunities to develop new power projects. We are in the process of implementing 1,728.0 MW of additional generation capacity and plan to implement a further 1,337.5 MW through our planned power projects.

India has vast thermal coal resources and the coal industry is in the process of deregulation, which is expected to increase the availability of coal for power generation among other uses. Notwithstanding various policy initiatives within India to diversify fuel mix, we believe that coal will continue to be the primary generator of energy in India because of favourable supply dynamics and competitive costs. Thus, we intend to continue to use coal as the primary fuel for our power projects under implementation and planned power projects.

Continue to Focus on Operational Efficiencies

With regard to our larger capacity projects, we intend to utilise super-critical technology. For example, our power project under implementation by IBPML, will deploy super-critical technology to reduce the amount of coal consumed to generate power. The efficiency of steam generation through super-critical technology is higher than that achieved through conventional sub-critical technology. Higher steam generation efficiency is expected to lead to lower coal consumption and hence increase the project's overall efficiency.

Ensure Fuel Security

We intend to continue to focus on fuel security by acquiring coal assets overseas or through captive coal allocations in India. Our Indonesian Subsidiary, PT Indbharath Energy, has the right to obtain coal from four mining entities in Indonesia, which have acquired the rights to, or are in the process of acquiring the rights to, estimated coal resources of approximately 32.50 million metric tonnes. We will continue to explore further opportunities in Indonesia to increase our captive capacities. The power project currently under implementation by IBEUL has been awarded coal linkages for its entire fuel requirement, subject to the fulfilment of certain milestones. The power project currently under implementation by IBPML is expected to receive its domestic coal linkage as we have completed all necessary steps for the issuance of a letter of assurance. We have applied for obtaining coal linkages for our other coal-based power projects under implementation and planned power projects. We believe that domestic coal linkages will reduce fuel costs, reliance on imported coal and exposure to price volatility. We believe that a combination of domestic and imported coal will enable us to achieve long-term fuel availability, reduce reliance on third-parties and mitigate our exposure to price volatility.

Maintain a Mix of Power Sales Arrangements

The power we generate is sold either on merchant basis or pursuant to long-term power purchase agreements. By selling power both on merchant basis and through long-term agreements, we lock in varying proportions of our power for sale in the short, 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 those received under long term power purchase agreements. We intend to attain an appropriate mix of power sales, which will allow us to maximise our revenues yet reduce volatility in our results of operations.

Maintain our Locational Advantages

We intend to continue to explore opportunities to commission our plants near fuel or demand centres, which will allow us to achieve cost savings because of reduced infrastructure requirements and lower transmission or transportation costs. In relation to power projects commissioned in high demand areas, we will be able to sell a significant portion of our power on merchant basis to nearby demand centres, which we believe will reduce our transmission and wheeling charges costs. In relation to power projects commissioned near fuel centres, we believe will be able to reduce our fuel transportation costs. For example, the power project operated by IBPGL and the power projects under implementation by IBPGL, IBTPL and IBPML are located in close proximity to ports, which reduces the associated costs of imported coal.

THE ISSUE

Issue of Equity Shares⁽¹⁾⁽²⁾	• Equity Shares
Fresh Issue of up to • Equity Shares, aggregating Rs. 11,400.00 million ⁽³⁾	
Offer for Sale of up to 8,765,148 Equity Shares ⁽⁴⁾	
<i>Of which:</i>	
QIB Portion ⁽⁵⁾	At least • Equity Shares
<i>Of which:</i>	
Net QIB Portion ⁽⁵⁾	
Mutual Fund Portion	• Equity Shares
Balance for all QIBs, including Mutual Funds	• Equity Shares
Non-Institutional Portion ⁽⁵⁾	Not less than • Equity Shares available for allocation
Retail Portion ⁽⁵⁾	Not less than • Equity Shares available for allocation
Pre and Post Issue Equity Shares	
Equity Shares outstanding as on the date of the DRHP	96,289,767 Equity Shares
Equity Shares outstanding prior to the Issue - Assuming minimum conversion of Convertible Securities ⁽⁶⁾	100,106,537 Equity Shares*
Equity Shares outstanding prior to the Issue - Assuming maximum conversion of Convertible Securities ⁽⁶⁾	120,539,013 Equity Shares*
Equity Shares outstanding after the Issue (assuming full conversion of • outstanding employee stock options which have not yet vested or vested but not yet exercised)	• Equity Shares
Equity Shares outstanding after the Issue (assuming the outstanding vested options are completely exercised)	• Equity Shares
Use of Fresh Issue proceeds	See the section titled “Objects of the Issue” on page 93. The Company will not receive any proceeds from the Offer for Sale.

* The number of Equity Shares resulting from the conversion of Convertible Securities has been adjusted for the issue of bonus Equity Shares by our Company pursuant to the resolutions of the Board dated May 06, 2010 and May 31, 2010 and resolution of the shareholders of our Company dated May 10, 2010 respectively, as detailed at “Capital Structure – Notes to capital structure – Share capital history of our Company – Equity share capital history” at page 75.

Note:

- (1) Our Company is also considering a Pre-IPO Placement of up to 2,900,000 Equity Shares and aggregating up to Rs. 1,700.00 million, with various investors. The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance and allotment of such Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Fresh Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue paid-up capital being offered to the public.
- (2) The Issue currently comprises of the Fresh Issue of up to •% of our post-Issue share capital and the Offer for Sale by the Selling Shareholders of •% of our post-Issue share capital.
- (3) The Fresh Issue has been authorised by our Board by their resolution dated May 06, 2010 and by the shareholders of our Company at EGM held on May 10, 2010.
- (4) The Issue comprises an Offer for Sale of an aggregate of up to 8,765,148 Equity Shares by CVCII Selling Shareholders, UTI and Sriba Seabase Private Limited. CVCIGP II Client Rosehill Limited and CVCIGP II Employee Rosehill Limited have obtained approval for the Offer for Sale pursuant to their board resolutions each dated May 24, 2010. Gautam Nayak and Keshav Bhujle (as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust) have approved the Offer for Sale by letter dated June 17, 2010. Sriba Seabase Private Limited has obtained approval for the Offer for Sale pursuant to board resolution dated May 31, 2010 and UTI has obtained approval for the Offer for Sale pursuant to resolution of the board dated December 20, 2004 and letter dated June 11, 2010. The Selling Shareholders are offering up to 8,765,148 Equity Shares in aggregate, which have been held for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus and, hence, are eligible for being offered for sale in the Issue.
- (5) This Issue is being made for less than 25% of the post-Issue capital pursuant to Rule 19(2)(b)(ii) of the SCRR read with Regulation 41(1) of the SEBI ICDR Regulations. The Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations. Further, this Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis out of which 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder

shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Our Company may allocate up to 30% of the QIB Portion to the Anchor Investors on a discretionary basis. One third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price.

- (6) (a) An aggregate of 1,125,685 Class A Preference Shares are currently outstanding, issued by the Company, pursuant to the terms of the UTI Investment Agreement and CVCI Agreement, as detailed at the section "Capital Structure – Notes to capital structure – Share capital history of our Company – Preference share capital history" at page 77, convertible into Equity Shares of the Company, prior to the date of filing of the Prospectus with the RoC in accordance with terms and conditions provided at "Capital Structure-Terms of conversion of Convertible Securities-Terms of conversion of Class A Preference Shares", at page 79.
- (b) An aggregate of 28,333,333 Class B Preference Shares are currently outstanding, issued by the Company, pursuant to the terms of the Investment Agreement, as detailed at "Capital Structure – Notes to capital structure – Share capital history of our Company – Preference share capital history" at page 77, convertible into Equity Shares of the Company, prior to the date of filing of the Prospectus with the RoC in accordance with terms and conditions provided at "Capital Structure-Terms of conversion of Convertible Securities-Terms of conversion of Class B Preference Shares", at page 80.
- (c) Our Company has issued 100,000 Promoter Warrants each to (i) Sriba Seabase Private Limited pursuant to the terms of the Investment Agreement and in terms of the resolutions of the Board dated November 09, 2009 (as modified by the resolution of the Board dated May 06, 2010) and May 15, 2010 and resolution of the shareholders of our Company dated May 10, 2010, and (ii) K. Raghu Ramakrishna Raju, pursuant to the resolution of the Board dated November 09, 2009 (as modified by resolution of the Board dated May 06, 2010) and May 15, 2010 and resolution of the shareholders of our Company dated May 10, 2010, as detailed at the section "Capital Structure – Notes to capital structure – Share capital history of our Company – Promoter Warrants issued by our Company" at page 78, convertible into Equity Shares, on the earlier of (a) filing of the Prospectus, or (b) November 29, 2010 in accordance with terms and conditions provided at "Capital Structure-Terms of conversion of Convertible Securities-Terms of conversion of Promoter Warrants", at page 82.

The number of Equity Shares resulting from the conversion of Convertible Securities has been adjusted for the issue of bonus Equity Shares by the Company pursuant to resolutions of the Board dated May 06, 2010 and May 31, 2010 and resolution of the shareholders of our Company dated May 10, 2010 respectively, as detailed at "Capital Structure – Notes to capital structure – Share capital history of our Company – Equity share capital history" at page 75. In case of any Equity Shares becoming distributable in fractions, the Board may make such provision as it deems fit, including by authorising payments in cash or otherwise.

SUMMARY FINANCIAL INFORMATION

The following tables present the summary financial information of our Company and have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. The summary financial information should be read in conjunction with the Auditor's reports and notes thereto contained in the section titled "Financial Statements" on page 270 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 392.

SUMMARY STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES, AS RESTATED

<i>(In Rs. Million)</i>						
STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES, AS RESTATED						
PARTICULARS	AS AT 31 MARCH					AS AT 31 DECEMBER
	2005	2006	2007	2008	2009	2009
1. FIXED ASSETS :						
i) Gross block	5.16	1,981.41	4,954.03	5,066.11	6,483.83	6,673.49
Less : Accumulated depreciation	(0.01)	(12.97)	(353.26)	(611.12)	(881.50)	(1,114.44)
Net block	5.15	1,968.44	4,600.77	4,454.99	5,602.33	5,559.05
ii) Capital work-in-progress	308.74	647.78	616.99	2,981.49	6,223.52	10,798.06
Total	313.89	2,616.22	5,217.76	7,436.48	11,825.85	16,357.11
2. INVESTMENTS	329.45	360.80	246.51	705.05	245.97	2,104.68
3. CURRENT ASSETS, LOANS AND ADVANCES :						
a) Inventories	-	3.59	245.39	371.14	563.44	775.81
b) Unbilled revenue	-	26.01	45.38	52.04	301.98	300.39
c) Sundry debtors	-	74.02	207.82	258.59	270.02	298.15
d) Cash and bank balances	39.37	13.71	322.79	833.50	616.65	2,600.83
e) Current assets, loans and advances	109.67	367.76	288.27	547.61	915.32	771.32
Total	149.04	485.09	1,109.65	2,062.88	2,667.41	4,746.50
4. DEFERRED TAX ASSET	-	-	-	-	-	1.08
5. LIABILITIES AND PROVISIONS :						
a) Secured loans	-	2,047.25	3,565.75	4,278.21	6,629.98	9,637.07
b) Unsecured loans	202.92	91.30	115.38	103.40	769.12	320.39
c) Current liabilities and provisions	130.17	326.07	493.85	587.57	737.38	761.85
Total	333.09	2,464.62	4,174.98	4,969.18	8,136.48	10,719.31
6. DEFERRED TAX LIABILITY, (NET)	-	-	129.72	109.91	154.32	87.45
7. MINORITY INTEREST	40.23	393.64	705.11	581.54	1,209.75	2,275.35
SHARE HOLDERS' FUNDS (1+2+3+4-5-6-7)	419.06	603.85	1,564.11	4,543.78	5,238.68	10,127.26
8. SHARE CAPITAL						
a) Equity share capital	0.10	13.56	200.81	283.02	283.02	358.54
b) Preference share capital	-	74.00	74.00	885.33	1,234.00	4,067.33
9. SHARE APPLICATION MONEY	305.22	50.81	-	-	-	100.00
10. RESERVES AND SURPLUS	113.74	465.48	1,289.30	3,375.43	3,721.66	5,601.39
SHARE HOLDERS' FUNDS (8+9+10)	419.06	603.85	1,564.11	4,543.78	5,238.68	10,127.26

**SUMMARY STATEMENT OF CONSOLIDATED PROFIT AND LOSS, AS RESTATED AND
CONSOLIDATED CASH FLOWS AS RESTATED**

(In Rs. Million)

STATEMENT OF CONSOLIDATED PROFITS AND LOSSES, AS RESTATED						
PARTICULARS	FOR THE YEAR ENDED 31 MARCH					FOR THE
	2005	2006	2007	2008	2009	PERIOD ENDED 31 DECEMBER 2009
I. INCOME						
Sale of electricity	-	100.04	1,518.17	1,986.99	2,439.17	2,713.29
Income from sale of certified emission reductions	-	-	-	191.11	11.43	37.34
Other income	4.65	2.58	27.89	61.68	55.64	150.65
TOTAL	4.65	102.62	1,546.06	2,239.78	2,506.24	2,901.28
II. EXPENDITURE						
Cost of electricity generated	-	36.62	604.34	773.79	864.37	995.64
Personnel costs	-	1.45	23.57	76.39	96.64	92.13
Administrative expenses	1.01	3.44	76.51	133.92	192.53	373.71
Selling and distribution expenses	-	2.28	35.76	40.33	82.08	20.52
Finance charges	2.99	18.08	251.17	330.10	351.74	304.59
Depreciation	0.01	12.96	180.13	257.88	271.82	233.40
TOTAL	4.01	74.83	1,171.48	1,612.41	1,859.18	2,019.99
Profit before tax before exceptional items	0.64	27.79	374.58	627.37	647.06	881.29
Exceptional items (Refer 9 (d) of Annexure V)	-	-	11.73	18.58	28.89	332.28
Profit before tax	0.64	27.79	362.85	608.79	618.17	549.01
Less: Provision for tax						
a) Current tax	0.22	0.60	28.68	54.10	124.41	114.42
b) Deferred tax	-	-	107.23	(22.58)	45.36	(68.39)
c) Fringe benefit tax	-	0.66	1.18	1.12	1.25	-
d) MAT credit (entitlement)/ utilisation	-	-	(30.09)	2.76	(87.03)	(103.57)
Profit after tax but before minority interest	0.42	26.53	255.85	573.39	534.18	606.55
Minority interest	-	(0.10)	(73.85)	(80.19)	(280.50)	(165.09)
Equity in profit of associate	15.19	11.32	6.23	-	-	-
Net profit after tax, as restated	15.61	37.75	188.23	493.20	253.68	441.46
Add: Balance in profit and loss account brought forward, as restated	53.29	68.90	106.65	249.80	518.42	749.43
Amount available for appropriation	68.90	106.65	294.88	743.00	772.10	1,190.89
Appropriations:	-	-	-	-	-	-
a) Amount transferred to debenture redemption reserve	-	-	45.08	182.24	22.67	-
b) Dividend on preference shares	-	-	-	33.88	-	-
c) Tax on preference dividend	-	-	-	8.46	-	-
Balance carried forward to balance sheet, as restated	68.90	106.65	249.80	518.42	749.43	1,190.89

(In Rs. Million)

STATEMENT OF CONSOLIDATED CASH FLOWS, AS RESTATED						
PARTICULARS	FOR THE YEAR ENDED 31 MARCH					FOR THE PERIOD ENDED 31 DECEMBER
	2005	2006	2007	2008	2009	2009
A) Cash flow from operating activities						
Net profit before tax and minority interest, as restated	0.64	27.79	362.85	608.79	618.17	549.01
Adjustments for:						
Depreciation	0.01	12.96	180.13	257.88	271.82	233.40
Interest and finance charges	2.99	18.08	251.17	330.10	351.74	304.59
Interest income	(4.65)	(2.53)	(6.20)	(48.60)	(39.67)	(27.33)
Dividend income	-	-	(0.22)	(9.15)	(1.82)	(0.17)
Unrealised foreign exchange (gain) / loss	-	-	-	(1.98)	(106.86)	64.07
Fixed assets written off	-	-	-	-	-	43.00
Profit on sale of investments	-	-	(13.30)	-	-	-
Provision for doubtful advances	-	-	-	-	-	93.36
Profit/ (Loss) on sale of assets	-	-	(1.23)	0.02	1.50	0.06
Operating profit before changes in working capital	(1.01)	56.30	773.20	1,137.06	1,094.88	1,259.99
Adjustments for:						
(Increase) / decrease in inventories	-	(3.59)	(18.69)	(125.75)	(192.30)	(212.36)
(Increase) / decrease in unbilled revenue	-	(26.01)	(19.37)	(6.65)	(249.95)	1.59
(Increase) / decrease in sundry debtors	-	(74.02)	(33.62)	(50.77)	(11.43)	(28.13)
(Increase) / decrease in loans and advances	14.00	(38.36)	250.71	(98.47)	(60.31)	(171.79)
Increase / (decrease) in current liabilities and provisions	(11.47)	40.82	27.23	129.41	(11.24)	305.07
Cash inflow / (outflow) from operating activities	1.52	(44.86)	979.46	984.83	569.65	1,154.37
Adjustments for:						
Income-tax (paid)/ refund	(0.73)	(0.89)	0.25	(50.15)	(55.41)	(81.91)
Fringe benefit tax paid	-	(0.68)	(0.45)	(1.01)	(1.20)	(1.56)
Net cash flow from operating activities - (A)	0.79	(46.43)	979.26	933.67	513.04	1,070.90
B) Cash flows from investing activities						
Purchase of fixed assets	(239.62)	(2,347.92)	(916.68)	(2,521.53)	(4,836.94)	(4,595.63)
Proceeds from sale of fixed assets	-	-	4.19	-	-	-
Purchase of investments	(127.76)	(10.02)	(0.54)	(459.08)	-	(2,103.73)
Proceeds from sale of investments in chits	-	-	-	0.54	-	-
Inter corporate deposits given	(29.42)	(75.42)	-	(120.07)	-	-
Inter corporate deposits repaid	-	-	124.66	-	120.07	-
Advance towards investments in significant interest entities	(17.97)	(61.62)	-	-	(3.14)	-
Refund of advance towards investments from significant interest entities	-	-	22.51	9.06	-	7.82
Inter corporate deposits given to significant interest entities	(27.02)	(68.63)	(158.23)	(26.81)	(39.69)	(45.87)
Inter corporate deposits recovered from significant interest entities	-	0.14	94.31	1.96	95.38	10.05
Acquisition of minority interest	-	-	-	-	(130.83)	(40.30)
Acquisition of preference shares from minority shareholders	-	-	-	(202.94)	-	-
Loans to directors	(8.22)	(26.19)	-	(16.40)	-	-
Amount realised from directors	-	-	26.74	-	-	-
Proceeds from sale of investments	50.00	190.00	29.12	-	459.08	-
Interest received	4.65	2.53	6.20	48.60	36.06	23.17
Dividend received	-	-	0.22	9.15	1.82	0.17
Payments for acquisition of net assets in subsidiaries and associates	-	-	(108.20)	-	-	-
Net cash flow from investing activities - (B)	(395.36)	(2,397.13)	(875.70)	(3,277.52)	(4,298.19)	(6,744.32)

STATEMENT OF CONSOLIDATED CASH FLOWS, AS RESTATED						
PARTICULARS	FOR THE YEAR ENDED 31 MARCH					FOR THE
	2005	2006	2007	2008	2009	PERIOD ENDED 31 DECEMBER 2009
C) Cash flows from financing activities						
Proceeds from issue of share capital / share application money	254.25	156.09	155.59	2,551.29	348.68	4,350.00
Refund of share application money received from minority shareholders	-	-	-	(22.70)	-	-
Equity contribution from minority shareholders	40.23	344.26	125.14	1.14	557.53	1,050.68
Repayment of unsecured loans and inter corporate deposits	(16.67)	(111.62)	(47.85)	(40.19)	(44.24)	(528.86)
Proceeds from unsecured loans and inter corporate deposits	158.60	-	46.09	28.22	709.96	85.16
Proceeds from secured loans	-	2,047.25	298.86	982.18	3,002.01	3,169.12
Repayment of secured loans	-	-	(128.79)	(269.72)	(650.24)	(162.03)
Interest paid	(2.99)	(18.08)	(243.52)	(331.44)	(358.07)	(304.96)
Preference dividend paid (including tax thereon)	-	-	-	(42.34)	-	-
Net cash flow from financing activities - (C)	433.42	2,417.90	205.52	2,856.44	3,565.63	7,659.11
Net increase / (decrease) in cash and cash equivalents (A+B+C)	38.85	(25.66)	309.08	512.59	(219.52)	1,985.69
Unrealised (loss)/gain on cash and cash equivalents	-	-	-	(1.88)	2.67	(1.51)
Cash and cash equivalents at the beginning of the year / period	0.52	39.37	13.71	322.79	833.50	616.65
Cash and cash equivalents at the end of the year / period	39.37	13.71	322.79	833.50	616.65	2,600.83

SUMMARY STATEMENT OF UNCONSOLIDATED ASSET AND LIABILITIES AS RESTATED

(In Rs. Million)

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED						
PARTICULARS	AS AT 31 MARCH					AS AT 31 DECEMBER
	2005	2006	2007	2008	2009	2009
1. FIXED ASSETS :						
a) Gross block	-	-	-	0.15	42.93	42.93
b) Less : Accumulated depreciation	-	-	-	0.01	2.13	3.83
c) Net block	-	-	-	0.14	40.80	39.10
d) Capital work-in-progress	-	-	-	41.41	-	-
Total	-	-	-	41.55	40.80	39.10
2. INVESTMENTS	458.92	708.51	1,452.76	2,988.06	4,449.03	7,762.07
3. CURRENT ASSETS, LOANS AND ADVANCES :						
a) Inventories	-	-	7.83	-	-	-
b) Sundry debtors	-	-	1.24	11.48	8.65	10.08
c) Cash and bank balances	0.89	0.80	0.80	304.13	8.41	4.11
d) Current assets, loans and advances	113.36	188.10	41.48	792.67	950.44	1,333.75
Total	114.25	188.90	51.35	1,108.28	967.50	1,347.94
4. LIABILITIES AND PROVISIONS :						
a) Secured loans	-	-	-	30.08	28.80	25.76
b) Unsecured loans	44.32	89.80	190.16	154.80	1,179.37	956.61
c) Current liabilities and provisions	157.56	279.28	286.49	369.80	283.14	29.35
Total	201.88	369.08	476.65	554.68	1,491.31	1,011.72
5. DEFERRED TAX LIABILITY, NET	-	-	-	0.30	10.92	5.15
6. SHARE HOLDERS' FUNDS (1 + 2 + 3 - 4 - 5)	371.29	528.33	1,027.46	3,582.91	3,955.10	8,132.24
7. SHARE CAPITAL						
a) Equity share capital	0.10	13.56	200.81	283.02	283.02	358.54
b) Preference share capital	-	74.00	74.00	885.33	1,234.00	4,067.33
8. SHARE APPLICATION MONEY PENDING ALLOTMENT	305.22	50.82	-	-	-	100.00
9. RESERVES AND SURPLUS	65.97	389.95	752.65	2,414.56	2,438.08	3,606.37
10. SHARE HOLDERS' FUNDS (7 + 8 + 9)	371.29	528.33	1,027.46	3,582.91	3,955.10	8,132.24

SUMMARY STATEMENT OF UNCONSOLIDATED PROFIT AND LOSS, AS RESTATED AND UNCONSOLIDATED CASH FLOWS AS RESTATED

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED						
PARTICULARS	AS AT 31 MARCH					AS AT
	2005	2006	2007	2008	2009	31
						DECEMBER
						2009
1. FIXED ASSETS :						
a) Gross block	-	-	-	0.15	42.93	42.93
b) Less : Accumulated depreciation	-	-	-	0.01	2.13	3.83
c) Net block	-	-	-	0.14	40.80	39.10
d) Capital work-in-progress	-	-	-	41.41	-	-
Total	-	-	-	41.55	40.80	39.10
2. INVESTMENTS	458.92	708.51	1,452.76	2,988.06	4,449.03	7,762.07
3. CURRENT ASSETS, LOANS AND ADVANCES :						
a) Inventories	-	-	7.83	-	-	-
b) Sundry debtors	-	-	1.24	11.48	8.65	10.08
c) Cash and bank balances	0.89	0.80	0.80	304.13	8.41	4.11
d) Current assets, loans and advances	113.36	188.10	41.48	792.67	950.44	1,333.75
Total	114.25	188.90	51.35	1,108.28	967.50	1,347.94
4. LIABILITIES AND PROVISIONS :						
a) Secured loans	-	-	-	30.08	28.80	25.76
b) Unsecured loans	44.32	89.80	190.16	154.80	1,179.37	956.61
c) Current liabilities and provisions	157.56	279.28	286.49	369.80	283.14	29.35
Total	201.88	369.08	476.65	554.68	1,491.31	1,011.72
5. DEFERRED TAX LIABILITY, NET	-	-	-	0.30	10.92	5.15
6. SHARE HOLDERS' FUNDS (1 + 2 + 3 - 4 - 5)	371.29	528.33	1,027.46	3,582.91	3,955.10	8,132.24
7. SHARE CAPITAL						
a) Equity share capital	0.10	13.56	200.81	283.02	283.02	358.54
b) Preference share capital	-	74.00	74.00	885.33	1,234.00	4,067.33
8. SHARE APPLICATION MONEY PENDING ALLOTMENT	305.22	50.82	-	-	-	100.00
9. RESERVES AND SURPLUS	65.97	389.95	752.65	2,414.56	2,438.08	3,606.37
10. SHARE HOLDERS' FUNDS (7 + 8 + 9)	371.29	528.33	1,027.46	3,582.91	3,955.10	8,132.24

(In Rs. Million)

STATEMENT OF PROFITS AND LOSSES, AS RESTATED						
PARTICULARS	FOR THE YEAR ENDED 31 MARCH					FOR THE PERIOD ENDED 31
	2005	2006	2007	2008	2009	DECEMBER
						2009
INCOME :						
Income from sale of electricity	-	-	-	-	5.56	5.76
Income from operations and maintenance and other services	-	-	17.37	69.27	29.56	3.09
Other income	4.65	2.20	2.48	59.45	112.08	4.25
Total	4.65	2.20	19.85	128.72	147.20	13.10

STATEMENT OF PROFITS AND LOSSES, AS RESTATED						
PARTICULARS	FOR THE YEAR ENDED 31 MARCH					FOR THE PERIOD ENDED 31 DECEMBER
	2005	2006	2007	2008	2009	2009
EXPENDITURE :						
Cost of materials supplied	-	-	-	23.91	3.49	-
Cost of services rendered	-	-	15.27	58.99	25.13	3.54
Personnel expenses	-	-	0.04	29.20	8.30	1.56
Administrative and other expenses	1.01	0.53	2.32	11.68	15.15	103.02
Interest and finance charges	2.99	0.26	-	-	42.80	81.90
Depreciation	-	-	-	0.01	2.11	1.71
Total	4.00	0.79	17.63	123.79	96.98	191.73
Profit before tax	0.65	1.41	2.22	4.93	50.22	(178.63)
Less: Provision for tax						
a) Current tax	0.23	0.48	11.80	0.39	16.06	-
b) Fringe benefit tax	-	-	-	0.09	0.01	-
c) Deferred tax	-	-	-	0.31	10.91	(6.09)
Total	0.23	0.48	11.80	0.79	26.98	(6.09)
Profit after tax, as restated	0.42	0.93	(9.58)	4.14	23.24	(172.54)
Add: Balance in profit and loss account brought forward, as restated	33.05	33.47	34.40	24.82	28.96	52.20
Amount available for appropriation	33.47	34.40	24.82	28.96	52.20	(120.34)
Balance carried forward to balance sheet, as restated	33.47	34.40	24.82	28.96	52.20	(120.34)

STATEMENT OF CASH FLOWS, AS RESTATED						
PARTICULARS	FOR THE YEAR ENDED 31 MARCH					FOR THE PERIOD ENDED 31 DECEMBER
	2005	2006	2007	2008	2009	2009
A) Cash flow from operating activities:						
Net profit/ (loss) before tax, as restated	0.65	1.41	2.22	4.93	50.22	(178.63)
Adjustments for:						
Depreciation	-	-	-	0.01	2.11	1.71
Interest income	(4.65)	(2.20)	(2.48)	(33.06)	(3.98)	(4.15)
Preference dividend	-	-	-	(15.87)	-	-
Income from mutual funds	-	-	-	(9.08)	(1.71)	(0.10)
Finance charges	2.99	0.26	-	-	42.80	81.90
Unrealised foreign exchange (gain) / loss	-	-	-	(1.44)	(105.83)	64.08
Operating profit before changes in working capital	(1.01)	(0.53)	(0.26)	(54.51)	(16.39)	(35.19)
Adjustments for:						
(Increase) / decrease in inventories	-	-	(7.83)	7.83	-	-
(Increase) / decrease in trade receivables	-	-	(1.24)	(10.25)	2.84	(1.43)
(Increase) / decrease in loans and advances	(34.58)	156.69	91.48	(27.68)	(12.69)	(14.59)
Increase / (decrease) in current liabilities and provisions	137.97	121.52	(1.11)	84.15	(98.93)	(13.77)
	102.38	277.68	81.04	(0.46)	(125.17)	(64.98)

STATEMENT OF CASH FLOWS, AS RESTATED						
PARTICULARS	FOR THE YEAR ENDED 31 MARCH					FOR THE PERIOD
	2005	2006	2007	2008	2009	ENDED 31 DECEMBER 2009
Adjustments for:						
Income tax (paid) / refunded	(1.68)	0.49	(1.08)	(8.27)	(4.67)	(12.50)
Fringe benefit tax paid	-	-	-	-	(0.09)	(0.01)
Net cash flow generated from/ (used in) operating activities [A]	100.70	278.17	79.96	(8.73)	(129.93)	(77.49)
B) Cash flow from investing activities:						
Purchase of fixed assets	-	-	-	(41.49)	(1.36)	-
Purchase of investments	(339.56)	(424.56)	(414.02)	(2,332.03)	(1,520.06)	(3,703.54)
Proceeds from sale of investments	-	-	-	200.00	460.79	-
Interest received	4.65	2.20	2.48	28.50	8.45	4.15
Dividend received	-	-	-	15.87	-	0.10
Inter corporate deposits given to subsidiaries	-	-	(22.52)	(8.55)	-	(206.44)
Loans to foreign subsidiary	-	-	-	(104.09)	(462.79)	(68.41)
Inter corporate deposits recovered from subsidiaries	-	-	70.68	7.95	20.00	-
Net cash flow used in investing activities [B]	(334.91)	(422.36)	(363.38)	(2,233.84)	(1,494.97)	(3,974.14)
C) Cash flow from financing activities:						
Proceeds from issue of share capital	254.25	156.10	179.05	2,551.29	348.68	4,350.00
Term loans taken	-	-	-	30.00	-	(3.00)
Repayment of term loans	-	-	-	-	(1.50)	-
Interest paid	(2.99)	(0.26)	-	-	(36.56)	(87.95)
Unsecured loans and inter corporate deposits taken	-	-	160.72	14.52	1,112.09	294.69
Repayment of unsecured loans and inter corporate deposits	(16.68)	(11.74)	(56.35)	(49.91)	(93.53)	(506.41)
Net cash flow from financing activities [C]	234.58	144.10	283.42	2,545.90	1,329.18	4,047.33
Net Increase / (decrease) in cash and cash equivalents [A+B+C]	0.37	(0.09)	0.00	303.33	(295.72)	(4.30)
Cash and cash equivalents at the beginning of the year / period	0.52	0.89	0.80	0.80	304.13	8.41
Cash and cash equivalents at the end of the year / period	0.89	0.80	0.80	304.13	8.41	4.11

GENERAL INFORMATION

Our Company was originally incorporated as a private limited company on February 17, 1995 with the name Kanumuri Holdings Private Limited, under the provisions of the Companies Act. Subsequently, by a fresh certificate of incorporation from the RoC dated October 18, 2006, our name was changed to Ind-Barath Power Infra Private Limited. Our Company was converted into a public limited company on May 28, 2008 with the name Ind-Barath Power Infra Limited and received a fresh certificate of incorporation consequent upon change in status on May 29, 2008 from the RoC.

For further details please refer to the section titled 'History and Certain Corporate Matters' on page 214.

Registered and Corporate Office of our Company

Ind-Barath Power Infra Limited
Plot No. 30A
Road No. 1, Film Nagar
Jubilee Hills
Hyderabad 500 033
India
Tel: (91 40) 2355 3459
Fax: (91 40) 2355 3462
Website: www.ibpil.com
Email: investors@ibpil.com

For details on change in Registered Office, please refer to the section titled "History and Certain Corporate Matters" on page 214.

Corporate Identification Number

U65993AP1995PLC019471

Address of the RoC

CPWD Building, 2nd Floor
Kendriya Sadan
Sultan Bazar, Koti
Hyderabad 500 195
India

Board of Directors

Name, Designation, Occupation	Age (years)	Address
K. Raghu Ramakrishna Raju Designation: Chairman and Managing Director Occupation: Industrialist	48	Plot No. 229, Road No. 78, Jubilee Hills, Hyderabad 500 033
K. Rama Devi Designation: Non-executive director Occupation: Business	46	Plot No. 229, Road No. 78, Jubilee Hills, Hyderabad 500 033
Perumal Srinivasan Designation: Nominee director of CVCIGP II Client Rosehill Limited Occupation: Service	45	25A, Belvedere Court, Sane Guruji Marg, Mahalaxmi, Mumbai 400 011
Vuppalapati Sitarama Raju Designation: Independent director Occupation: Professional	68	106, Dhanunjaya Towers, Main Road, Banjara Hills, Hyderabad 500 034

Name, Designation, Occupation	Age (years)	Address
Vaddarse Prabhakar Shetty Designation: Independent director Occupation: Service	63	151, Jolly Maker Apartments No.2, Cuffe Parade, Mumbai 400 005
Abhay Kumar Pandey Designation: Nominee Director of Sequoia Capital India Growth Investment Holdings II Occupation: Service	38	1402 Purma, Pochakhanwala Road, Worli Sea Face, Mumbai 400 018
Vishal Vijay Gupta Designation: Nominee Director of Bessemer Venture Partners Trust Occupation: Service	32	71, 7th Floor, Free Press House, Free Press Marg, Nariman Point, Mumbai 400 021
D. Madhusudhana Reddy Designation: Additional director and Chief Financial Officer Occupation: Service	45	Flat No. 401, Radhakrishna Enclave, Madhura Nagar, Hyderabad 500 038
Sasamka Babu Potharlanka Designation: Independent director Occupation: Service	68	8-3-318/11/18, Jayaprakash Nagar, Hyderabad 500 073
T. Stanley Babu Designation: Independent director Occupation: Service	65	259, First Cross Road, Trimurthy Society, Mahendra Hills, East Marredpally, Secunderabad 500 026
Debi Prasad Bagchi Designation: Independent director Occupation: Service	67	Y-165, Regency Park-II, Phase IV, DLF City, Gurgaon, Haryana 122 009
A. Balraj Designation: Independent director Occupation: Service	68	New No. 12 (Old No.76) “j” Block, Anna Nagar, Chennai – 600 102

For further details and profile of our Directors, see the section titled “Our Management” on page 239.

Company Secretary and Compliance Officer

Dr. P.V.S. Jagan Mohan Rao
Plot No. 30A
Road No. 1, Film Nagar
Jubilee Hills
Hyderabad 500 033, India
Tel: (91 40) 2355 3459
Fax: (91 40) 2355 3462
Email: jagan@ibpil.com

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

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form was submitted by the ASBA Bidders.

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

Book Running Lead Managers

Book Running Lead Managers

JM Financial Consultants Private Limited

141, Maker Chambers III
Nariman Point
Mumbai 400 021, India
Tel: (91 22) 6630 3030/3953 3030
Fax: (91 22) 2204 7185
Email: ibpil.ipo@jmfinancial.in
Investor Grievance ID: grievance.ibd@jmfinancial.in
Website: www.jmfinancial.in
Contact person: Lakshmi Lakshmanan
SEBI Registration No.: INM000010361

Motilal Oswal Investment Advisors Private Limited

113/114, 11th Floor, Bajaj Bhawan
Nariman Point
Mumbai 400 021, India
Tel: (91 22) 3980 4380
Fax: (91 22) 3980 4315
Email: ibpil.ipo@motilaloswal.com
Investor Grievance ID: moiaplredressal@motilaloswal.com
Website: www.motilaloswal.com
Contact person: Rupesh Khant
SEBI Registration No.: INM000011005

DSP Merrill Lynch Limited

10th Floor, Mafatlal Centre
Nariman Point
Mumbai 400 021, India
Tel: (91 22) 6632 8761
Fax: (91 22) 2204 8518
Email: ibpil.ipo@baml.com
Investor Grievance ID: India_merchantbanking@ml.com
Website: www.dspml.com
Contact person: N. S. Shekhar
SEBI Registration No.: INM000011625

IDFC Capital Limited

Naman Chambers, C-32, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051, India.
Tel: (91 22) 6622 2600
Fax: (91 22) 6622 2501
Email: ibpil.ipo@idfc.com
Investor Grievance ID: complaints@idfc.com
Website: www.idfccapital.com
Contact person: Cyril Paul
SEBI Registration No.: INM000011336

Aventus Capital Private Limited

IL&FS Financial Centre B
Quadrant, 5th Floor
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051, India
Tel: (91 22) 6648 0050
Fax: (91 22) 6648 0040
Email: ibpil.ipo@avendus.com
Investor Grievances ID: investorgrievance@avendus.com
Website: www.avendus.com
Contact person: Rashi Malik
SEBI Registration No.: INM000011021

Syndicate Member(s)

The Syndicate Member(s) will be finalised prior to filing of the Red Herring Prospectus with the RoC.

Legal counsels***Domestic legal advisor to our Company***

AZB & Partners
AZB House, 67-4, 4th Cross
Lavelle Road
Bangalore 560 001, India
Tel: (91 80) 4240 0500
Fax: (91 80) 2221 3947

Domestic legal advisor to the Underwriters

Luthra & Luthra Law Offices
704-706, 7th Floor, Embassy Centre, Nariman Point
Mumbai 400 021
Tel: (91 22) 6630 3600
Fax: (91 22) 6630 3700

International legal advisor to the Underwriters

Jones Day
3 Church Street
#14-02 Samsung Hub
Singapore 049483
Tel: (65).6538.3939
Fax: (65).6536.3939

Registrar to the Issue

Karvy Computershare Private Limited
Plot nos.17-24, Vittal Rao Nagar,
Madhapur, Hyderabad 500 081, India
Tel: (91 40) 4465 5000
Toll Free:1 800 345 4001
Fax: (91 40) 2343 1551
Email: indbarath.ipo@karvy.com
Website: www.karisma.karvy.com
Contact Person: Murali Krishna
SEBI Registration No.: INR000000221

Bankers to the Issue and Escrow Collection Banks

•

Self Certified Syndicate Banks

The list of banks which have been notified by the SEBI to act as SCSBs for ASBA applications and details relating to the designated branches of the SCSBs collecting the ASBA Forms are available at <http://www.sebi.gov.in/pmd/scsb.pdf>.

Bankers to our Company

IDBI Bank

Mahavir House
Basheerbagh Square
Hyderabad 500 029
Tel: (91 40) 6674 6021/ 6674 6022
Fax: (91 40) 2322 0373
Email: r.rajkumar@idbi.co.in, tharakaram_dl@idbi.co.in
Website: www.idbi.com
Contact Person: D L Thakaram / Rajkumar

Plot No. 9
Road No. 2, Banjara Hills
Hyderabad 500 034
Tel: (91 40) 6674 6161
Fax: (91 40) 2354 8783
Email: banjarahills@idbibank.com, es.rao@idbi.co.in
Website: www.idbi.com
Contact Person: E. Srinivasa Rao

Citi Bank N.A.

Citi Bank N.A.
Quense Plaza, 1st Floor
S.P.Road, Begumpet
Secunderabad 500 003
Tel: (91 40) 4000 5721
Fax: (91 40) 4003 3240
Email: utsav.ranasaria@citi.com
Website: www.citibank.co.in
Contact Person: Utsav Ranasaria

Allahabad Bank

6-3-850/3, Srinivas Plaza
1st Floor, Ameerpet
Hyderabad 500 016
Tel: (91 40) 2341 2156 / 2341 2874
Fax: (91 40) 2341 1663
Email: br.ifbhyderabad@allahabank.in
Website: www.allahabadbank.com
Contact Person: T. L. Sudhindra

UCO Bank

Plot no. 490, Door no. 8-2-293/82/A/490
Road no. 10 and 21 corner,
Jubilee Hills
Hyderabad 500 033
Tel: (91 40) 2355 5768 / 2355 5769
Fax: (91 40) 2355 5768
Email: ucójubileehills@ucobank.co.in
Website: www.ucobank.com
Contact Person: C. Sreenivasa Swamy

Axis Bank Limited

Jubilee Hills Branch, Plot No. 19-III
Road No.71, Jubilee Hills
Hyderabad 500 096
Tel: (91 40) 2360 0082 / 2360 0083
Fax: (91 40) 2360 0085
Email: jubileehills.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Panduranaga Kurapati

Refund Bankers

-

Statutory Auditors

B S R & Co
Chartered Accountants
Relinace Humsafar
4th Floor, Road No.1
Banjara Hills
Hyderabad 500 034
Tel: (91 40) 346 5000
Fax: (91 40) 30465299
Email: zshekary@kpmg.com

Credit rating

As this is an Issue of equity shares, credit rating is not required for this Issue.

IPO Grading

This Issue has been graded by ICRA Limited and has been assigned the “IPO Grade •” indicating • through its letter dated •, which is valid for a period of • months. The IPO grading is assigned on a five point scale from 1 to 5 wherein an “IPO Grade 5” indicates strong fundamentals and “IPO Grade 1” indicates poor fundamentals. The rationale furnished by the grading agency for its grading will be updated at the time of filing of the Red Herring Prospectus with the RoC/ Designated Stock Exchange.

A copy of the report provided by •, furnishing the rationale for its grading will be annexed to the Red Herring Prospectus and will be made available for inspection at our Registered and Corporate Office from 10.00 a.m. to 4.00 p.m. on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date. For details of summary of rationale for the grading assigned by the IPO Grading Agency, please see the section titled “Other Regulatory and Statutory Disclosures” on page 441.

Trustees

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

Monitoring Agency

Our Company has appointed a monitoring agency in compliance with Regulation 16 of the SEBI ICDR Regulations.

UCO Bank

Plot no. 490, Door No. 8-2-293/82/A/490
Road no. 10 and 21 Corner, Jubilee Hills
Hyderabad 500 033
Tel: (91 40) 2355 5768
Fax: (91 40) 2355 5768
Email: ucojubileehills@ucobank.co.in
Contact Person: C.Sreenivasa Swamy

Expert

Except the report of Ali Budiardjo, Nugroho, Reksodiputro, Counsellors at Law, Jakarta dated June 02, 2010 with respect to PT Krisma Pusaka Sejati, PT Berkat Banua Hampang, PT Ind Bharath, PT Iwan Mining and PT Indbharath Energy, disclosed in this Draft Red Herring Prospectus, the Company has not obtained any expert opinions.

Project Appraisal

IL&FS Financial Services Limited

The IL&FS Financial Centre
3rd Floor, Plot C-22. G-Block
Bandra Kurla Complex
Bandra East
Mumbai 400 051
Tel: (91 22) 2653 3333
Fax: (91 22) 2653 3149
Email: info@ilfsifin.com
Website: www.ilfsifin.com

The IBTPL Project (For further details please refer the section titled “Objects of the Issue” at page 93) has been appraised by a report dated December 2009.

Power Finance Corporation Limited

'Urjanidhi', 1, Barakhamba Lane
Connaught Place
New Delhi 110 001
Tel: (91 11) 2345 6000
Fax: (91 11) 2345 6599
Email: pksingh@pfc.delhi.nic.in
Website: www.pfc.gov.in

The Utkal Project (For further details please refer the section titled “Objects of the Issue” at page 93) has been appraised by a report dated October, 2009.

Aquatherm Engineering Consultants Private Limited

2nd Floor, St. Thomas Building, #68 (Old 150)
Luz Church Road, Mylapore
Chennai 600 004
Tel: (91 44) 2499 4032
Fax: (91 44) 2499 6085
Email: info@aquatherm.in
Website: www.aquathermindia.com

The Madras Project (For further details please refer the section titled “Objects of the Issue” at page 93) has been appraised by a report dated February, 2010.

Inter-se Responsibilities of the BRLMs

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

Sr. No.	Activity	Responsibility	Coordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.	JM Financial, Motilal Oswal, DSPML, IDFC Capital, Avendus	Motilal Oswal
2.	Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting and design of the Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalization of the Prospectus and RoC filing of the same.	JM Financial, Motilal Oswal, DSPML, IDFC Capital, Avendus	JM Financial
3.	Drafting and approval of all statutory advertisement	JM Financial, Motilal Oswal, DSPML, IDFC Capital, Avendus	JM Financial
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, corporate films, etc.	JM Financial, Motilal Oswal, DSPML, IDFC Capital, Avendus	Motilal Oswal
5.	Appointment of other intermediaries viz., Registrars, Lawyers, Printers, Advertising Agency and Bankers to the Issue	JM Financial, Motilal Oswal, DSPML, IDFC Capital, Avendus	Motilal Oswal
6.	Preparing road show presentation and frequency asked questions	JM Financial, Motilal Oswal, DSPML, IDFC Capital, Avendus	DSPML
7.	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 	JM Financial, Motilal Oswal, DSPML, IDFC Capital, Avendus	DSPML
8.	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, institutional allocation in consultation with the Company 	JM Financial, Motilal Oswal, DSPML, IDFC Capital, Avendus	JM Financial
9.	Non-Institutional & 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; • Finalising media and PR strategy; • Finalising centres for holding conferences for brokers etc.; • Finalising collection centres; and • Follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material. 	JM Financial, Motilal Oswal, DSPML, IDFC Capital, Avendus	Motilal Oswal
10.	Managing the book, co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading.	JM Financial, Motilal Oswal, DSPML, IDFC Capital, Avendus	IDFC Capital
11.	Finalization of pricing in consultation with the Company.	JM Financial, Motilal Oswal, DSPML, IDFC Capital, Avendus	Motilal Oswal
12.	The post-bidding activities including management of escrow accounts, follow-up with bankers to the issue, co-ordination 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.	JM Financial, Motilal Oswal, DSPML, IDFC Capital, Avendus	IDFC Capital

Book Building Process

Book building refers to the collection of Bids from investors within the Price Band, on the basis of the Red Herring Prospectus. The Issue Price will be determined by the Company and the Selling Shareholders, in consultation with the Book Running Lead Managers after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

1. our Company;
2. the Selling Shareholders;
3. the BRLMs;
4. the Syndicate Members;
5. the Registrar to the Issue; and
6. the Escrow Collection Banks;
7. the SCSBs.

This Issue is being made for less than 25% of the post-Issue capital pursuant to Rule 19(2)(b)(ii) of the SCRR read with Regulation 41(1) of the SEBI ICDR Regulations. The Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations. Further, this Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis out of which 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Our Company may allocate up to 30% of the QIB Portion to the Anchor Investors on a discretionary basis. One third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price.

The Book Building Process is subject to change. Investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue. Please refer to the section titled “Terms of the Issue” on page 451 for more details. QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date.

Steps to be taken by the Bidders for making a Bid or application in this Issue:

- Check eligibility for making a Bid. For further details, see the section titled “Issue Procedure” on page 459. Specific attention of ASBA Bidders is invited to the section titled “Issue Procedure – Issue Procedure for ASBA Bidders” on page 487;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Form, as the case may be;
- Ensure that the Bid cum Application Form or ASBA Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;
- Ensure that you have mentioned your PAN in the Bid cum Application Form or ASBA Form (see the section titled “Issue Procedure” on page 459);
- Ensure the correctness of your Demographic Details (as defined in the section titled “Issue Procedure – Bidder’s Depository Account and Bank Account Details” on page 473), given in the Bid cum Application Form or ASBA Form, with the details recorded with your Depository Participant;
- Bids by ASBA Bidders will only have to be submitted to the SCSBs at the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their ASBA is not rejected; and
- Bids by QIBs (except ASBA Bidders) must be submitted to the BRLMs and/or their affiliates.

Illustration of Book Building Process and the Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue. Further, Anchor Investor Bids do not form part of the Book Building Process.)

Bidders can bid at any price within the Price Band. For instance, assuming a Price Band of Rs. 20.00 to Rs. 24.00 per share, an 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 as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24.00	500	16.67%
1,000	23.00	1,500	50.00%
1,500	22.00	3,000	100.00%
2,000	21.00	5,000	166.67%
2,500	20.00	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. Our Company and the Selling Shareholders, in consultation with the BRLMs, will finalise the issue price at or below such cut-off, i.e., at or below Rs. 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 and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Issue in accordance with SEBI ICDR Regulations. If our Company withdraws from the Issue after the Bid/Issue Closing Date, it shall issue a public notice that shall include reasons for such withdrawal, within two days of the closure of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements had appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh Draft Red Herring Prospectus with the SEBI.

The Issue is also subject to obtaining final approval of the Prospectus after it is filed with the RoC. Notwithstanding the foregoing, subsequent to Allotment, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for only after Allotment.

Bid/Issue Programme

Bidding/Issue Period

BID/ISSUE OPENS ON	•
BID/ISSUE CLOSES ON	•

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

The Company may consider participation by the Anchor Investors for up to • Equity Shares in accordance with SEBI ICDR Regulations on the Anchor Investor Bidding Date.

Except in relation to 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) during the Bidding/Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form, in case of Bids submitted through ASBA Form, the Designated Branches, except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) (excluding ASBA Bidders) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000.00 and (ii) until 5:00 p.m., in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000.00. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1:00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids

are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, our Company, the BRLMs, the Syndicate Members, the Registrars to Issue and the SCSBs will not be responsible. Bids will only be accepted on Business Days, i.e., any day other than Saturday or Sunday on which commercial banks in Hyderabad, India are open for business. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the NSE and the BSE.

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

Our Company and the Selling Shareholders reserve the right to revise the Price Band during the Bidding/Issue Period in accordance with the SEBI ICDR Regulations provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised upwards or downwards to a maximum of 20% of the Floor Price advertised at least one day before the Bid/Issue Opening Date. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain • Equity Shares, irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000.00 to Rs. 7,000.00.

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

Underwriting Agreement

After the determination of the Issue Price, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into the 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 BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. Pursuant to the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions to closing as specified therein.

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

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

Name and Address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (Rs. million)
JM Financial Consultants Private Limited 141, Maker Chambers III, Nariman Point Mumbai 400 021, India	•	•
Motilal Oswal Investment Advisors Private Limited 113/114, 11th Floor, Bajaj Bhawan, Nariman Point Mumbai 400 021, India	•	•
DSP Merrill Lynch Limited 10th Floor, Mafatlal Centre, Nariman Point Mumbai 400 021, India	•	•
IDFC Capital Limited Naman Chambers, C-32, G Block Bandra Kurla Complex, Bandra (East) Mumbai 400 051, India	•	•
Aventus Capital Private Limited IL&FS Financial Centre B, Quadrant, 5th Floor Bandra Kurla Complex, Bandra (East) Mumbai 400 051, India	•	•

The above mentioned amounts are provided for indicative purposes only and will be finalised after determination of Issue Price.

In the opinion of the Board of Directors (based on certificates given to them by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the stock exchanges. Our Board of Directors, at its meeting held on • has accepted and entered into the Underwriting Agreement with the Underwriters.

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

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

CAPITAL STRUCTURE

Our Share capital, as at the date of filing of this Draft Red Herring Prospectus and immediately following the Issue, is set forth below:

	Aggregate value at face value (Rs.)	Aggregate value at Issue Price (Rs.)
A Authorised share capital		
200,000,000 Equity Shares of Rs. 10.00 each	2,000,000,000.00	•
7,400,000, 10%, 10 year non cumulative non convertible redeemable preference shares of Rs. 10.00 each	74,000,000.00	-
1,160,000, 0.01%, compulsorily convertible participatory cumulative preference shares of Rs. 1,000.00 each	1,160,000,000.00	-
28,333,335, 0.001%, compulsorily convertible participatory cumulative preference shares of Rs. 100.00 each	2,833,333,500.00	-
TOTAL	6,067,333,500.00	
B Issued, subscribed and paid-up share capital		
<i>Equity share capital</i>		
<i>As at the date of this DRHP</i>	962,897,670.00	•
96,289,767 Equity Shares of Rs.10.00 each		
<i>Assuming minimum conversion of Convertible Securities: 100,106,537*</i>	1,001,065,370.00	•
Equity Shares of Rs. 10.00 each		
<i>Assuming maximum conversion of Convertible Securities: 120,539,013*</i>	1,205,390,130.00	•
Equity Shares of Rs. 10.00 each		
<i>Non-convertible preference share capital</i>		
7,400,000, 10%, 10 year non cumulative non convertible redeemable preference shares of Rs. 10.00 each	74,000,000.00	•
<i>Convertible Securities</i>		
<i>As at the date of this DRHP - 1,125,685, 0.01%, compulsorily convertible participatory cumulative preference shares of Rs. 1,000.00 each ⁽¹⁾</i>	1,125,685,000.00	•
On conversion of all 0.01% compulsorily convertible participatory cumulative preference shares of Rs. 1,000.00 each ⁽¹⁾	Nil	
<i>As at the date of this DRHP – 28,333,333, 0.001%, compulsorily convertible participatory cumulative preference shares of Rs. 100.00 each ⁽²⁾</i>	2,833,333,300.00	•
On conversion of all 0.001% compulsorily convertible participatory cumulative preference shares of Rs.100.00 each ⁽²⁾	Nil	
200,000 Promoter Warrants ⁽³⁾ .		•
C Present Issue in terms of this Draft Red Herring Prospectus		
<i>Of which</i>		•
Fresh Issue of up to • Equity Shares ⁽⁴⁾		•
Offer for Sale of up to 8,765,148 Equity Shares ⁽⁵⁾		
<i>Of which:</i>		
<i>Net QIB Portion</i>		
QIB Portion		
At least • Equity Shares		•
<i>Of which:</i>		
Mutual Fund Portion of • Equity Shares.	•	•
Balance for all QIBs, including Mutual Funds is • Equity Shares	•	•
Non-institutional Portion		
Not less than • Equity Shares available for allocation		•
Retail Portion		
Not less than • Equity Shares available for allocation		•
D Issued, subscribed and paid-up share capital after the Issue		
• Equity Shares		•
7,400,000, 10%, 10 year non cumulative non convertible redeemable preference shares of Rs. 10.00 each	74,000,000.00	•
E Securities Premium Account		
Before the Issue		•
<i>As at the date of this DRHP</i>	3,124,177,439.67 [#]	

Assuming minimum conversion of Convertible Securities	7,887,335,731.67
Assuming maximum conversion of Convertible Securities	7,683,010,971.67
After the Issue	•

*The number of Equity Shares resulting from the conversion of Convertible Securities has been adjusted for the issue of bonus Equity Shares by the Company pursuant to resolutions of the Board dated May 06, 2010 and May 31, 2010 and resolution of the shareholders of our Company dated May 10, 2010 respectively, as detailed at "Capital Structure – Notes to capital structure – Share capital history of our Company – Equity share capital history" at page 75. In case of any Equity Shares becoming distributable in fractions, the Board may make such provision as it deems fit, including by authorising payments in cash or otherwise.

The Company approved the issuance of bonus Equity Shares of 155 Equity Shares for every 100 Equity Shares from the Securities Premium Account pursuant to resolutions of the Board and shareholders dated May 06, 2010 and May 10, 2010 respectively, as detailed at "Capital Structure – Notes to capital structure – Share capital history of our Company – Equity share capital history" at page 75.*

- (1) Class A Preference Shares issued pursuant to the terms of the UTI Investment Agreement and CVC I Agreement, as detailed at the section "Capital Structure – Notes to capital structure – Share capital history of our Company – Preference share capital history" at page 77, are convertible into Equity Shares, prior to the date of filing of the Prospectus in accordance with terms and conditions provided below "Capital Structure-Terms of conversion of Convertible Securities-Terms of conversion of Class A Preference Shares", at page 79.
- (2) Class B Preference Shares issued pursuant to the terms of the Investment Agreement, as detailed at the section "Capital Structure – Notes to capital structure – Share capital history of our Company – Preference share capital history" beginning on page 77, convertible into Equity Shares, prior to the date of filing of the Prospectus in accordance with terms and conditions provided below "Capital Structure-Terms of conversion of Convertible Securities-Terms of conversion of Class B Preference Shares", at page 80.
- (3) 100,000 Promoter Warrants each issued to (i) Sriba Seabase Private Limited pursuant to the terms of the Investment Agreement and in terms of the resolutions of the Board dated November 09, 2009 (as modified by the resolution of the Board dated May 06, 2010) and May 15, 2010 and resolution of the shareholders of our Company dated May 10, 2010, and (ii) K. Raghuram Krishna Raju, pursuant to the resolution of the Board dated November 09, 2009 (as modified by resolution of the Board dated May 06, 2010) and May 15, 2010 and resolution of the shareholders of our Company dated May 10, 2010, as detailed at the section "Capital Structure – Notes to capital structure – Share capital history of our Company – Promoter Warrants issued by our Company" at page 78, convertible into Equity Shares, on the earlier of (a) filing of the Prospectus, or (b) November 29, 2010 in accordance with terms and conditions provided at "Capital Structure-Terms of conversion of Convertible Securities-Terms of conversion of Promoter Warrants", at page 82.
- (4) The Fresh Issue has been authorised by the Board in its meeting held on May 06, 2010, and by the shareholders of our Company at an EGM held on May 10, 2010. Our Company is also considering a Pre-IPO Placement of up to 2,900,000 Equity Shares and aggregating up to Rs. 1,700.00 million, with various investors. The Pre-IPO placement is at the discretion of our Company. Our Company will complete the issuance and allotment of such Equity Shares prior to the filing the Prospectus. If the Pre-IPO Placement is completed, the Fresh Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue paid-up capital being offered to the public.
- (5) The Issue comprises an Offer for Sale of an aggregate of up to 8,765,148 Equity Shares by CVC I Selling Shareholders, UTI and Sriba Seabase Private Limited. CVC I Client Rosehill Limited and CVC I Employee Rosehill Limited have obtained approval for the Offer for Sale pursuant to their board resolutions each dated May 24, 2010. Gautam Nayak and Keshav Bhujle (as trustees of the following trusts: CVC I II Vivek Chhachhi Trust, CVC I II Vinayak Shenvi Trust, CVC I II P.R. Srinivasan Trust, CVC I II Ajay Relan Trust, CVC I II Jayanta Kumar Basu Trust) have approved the Offer for Sale by letter dated June 17, 2010. Sriba Seabase Private Limited has obtained approval for the Offer for Sale pursuant to board resolution dated May 31, 2010 and UTI has obtained approval for the Offer for Sale pursuant to resolution of the board dated December 20, 2004 and letter dated June 11, 2010. The Selling Shareholders are offering up to 8,765,148 Equity Shares in aggregate, which have been held for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus and, hence, are eligible for being offered for sale in the Issue.

Our Company may consider participation by Anchor Investors for up to • Equity Shares in accordance with the SEBI ICDR Regulations. For further details, please refer to the section titled "Issue Procedure" on page 459.

1) Details of increase in authorised share capital since incorporation

Sr. No.	Particulars of increase	Date of Shareholders' meeting	AGM/EGM
1.	Increase in authorised capital from Rs. 100,000.00 divided in to 10,000 Equity Shares of Rs. 10.00 each to Rs. 150,000,000.00 divided into 20,000 Equity Shares of Rs. 10.00 each and 14,980,000, 10% five years cumulative non- convertible redeemable preference shares of Rs. 10.00 each.	March 29, 2004	EGM
2.	Increase in authorised capital from Rs. 150,000,000.00 divided into 20,000 Equity Shares of Rs. 10.00 each and 14,980,000 10% five years cumulative non-convertible redeemable preference shares of Rs. 10.00 each to Rs. 349,800,000.00 divided into 20,000,000 Equity Shares of Rs. 10.00 each and 14,980,000, 10% 10 years cumulative non-convertible redeemable preference shares of Rs. 10.00 each.	March 29, 2006	EGM
3.	Increase in authorised capital from Rs. 349,800,000.00 divided into 20,000,000 Equity Shares of Rs. 10.00 each and 14,980,000, 10% 10 years cumulative non-convertible redeemable preference shares of Rs. 10.00 each to Rs. 359,800,000.00 divided into 21,000,000 Equity Shares of Rs. 10.00 each and 14,980,000, 10% 10 years cumulative non-convertible redeemable preference shares of Rs. 10.00 each.	September 20, 2006	EGM
4.	Increase in authorised capital from Rs. 359,800,000.00 divided into 21,000,000 Equity Shares of Rs. 10.00 each and 14,980,000, 10% 10 years cumulative non-convertible redeemable preference shares of Rs. 10.00 each to Rs. 374,000,000.00 divided into 30,000,000 Equity Shares of Rs. 10.00 each and 7,400,000, 10% 10 years non-cumulative non-convertible redeemable preference shares of Rs. 10.00 each.	March 26, 2007	EGM
5.	Increase in authorised capital from Rs. 374,000,000.00 divided into 30,000,000 Equity Shares of Rs. 10.00 each and 7,400,000, 10% 10 years non-cumulative non-convertible redeemable preference shares of Rs. 10.00 each to Rs. 1,534,000,000.00 divided into 30,000,000 Equity Shares of Rs. 10.00 each and 7,400,000 10% 10 years non-cumulative non-convertible redeemable preference shares of Rs. 10.00 each and 1,160,000 0.01% compulsorily convertible participatory cumulative preference shares of Rs. 1000.00 each.	December 17, 2007	EGM
6.	Increase in authorised capital from Rs. 1,534,000,000.00 divided into 30,000,000 Equity Shares of Rs. 10.00 each and 7,400,000, 10% 10 years non-cumulative non-convertible redeemable preference shares of Rs. 10.00 each and 1,160,000, 0.01% compulsorily convertible participatory cumulative preference shares of Rs. 1000.00 each to Rs. 4,467,333,500.00 divided into 40,000,000 Equity Shares of Rs. 10.00 each and 7,400,000, 10% 10 years non-cumulative non-convertible redeemable preference shares of Rs. 10.00 each, 1,160,000, 0.01% compulsorily convertible participatory cumulative preference shares of Rs. 1000.00 each and 28,333,335, 0.001% compulsorily convertible participatory cumulative preference shares of Rs. 100.00 each.	October 14, 2009	EGM
7.	Increase in authorised capital from Rs. 4,467,333,500.00 divided into 40,000,000 equity shares of Rs. 10.00 each, 7,400,000, 10% 10 years non-cumulative non-convertible redeemable preference shares of Rs. 10.00 each, 1,160,000, 0.01% compulsorily convertible participatory cumulative preference shares of Rs. 1,000.00 each and 28,333,335, 0.001% compulsorily convertible participatory cumulative preference shares of Rs. 100.00 to Rs. 5,067,333,500.00 divided into 100,000,000 equity shares of Rs. 10.00 each, 7,400,000, 10% 10 years non-cumulative non-convertible redeemable preference shares of Rs. 10.00 each, 1,160,000, 0.01% compulsorily convertible participatory cumulative preference shares of Rs. 1,000.00 each and 28,333,335, 0.001% compulsorily convertible participatory cumulative preference shares of Rs. 100.00.	May 10, 2010	EGM
8.	Increase in authorised capital from Rs. 5,067,333,500.00 divided into 100,000,000 equity shares of Rs. 10.00 each, 7,400,000, 10% 10 years non-cumulative non-convertible redeemable preference shares of Rs. 10.00 each, 1,160,000, 0.01% compulsorily convertible participatory cumulative preference shares of Rs. 1,000.00 each and 28,333,335, 0.001% compulsorily convertible participatory cumulative preference shares of Rs. 100.00 to Rs. 6,067,333,500.00 divided into 200,000,000 equity shares of Rs. 10.00 each, 7,400,000, 10% 10 years non-cumulative non-convertible redeemable preference shares of Rs. 10.00 each, 1,160,000, 0.01% compulsorily convertible participatory cumulative preference shares of Rs. 1,000.00 each and 28,333,335, 0.001% compulsorily convertible participatory cumulative preference shares of Rs. 100.00.	June 01, 2010	EGM

Offer for Sale by Selling Shareholders

The Issue comprises an Offer for Sale of an aggregate of up to 8,765,148 Equity Shares by CVCI Selling Shareholders, UTI and Sriba Seabase Private Limited. CVCIGP II Client Rosehill Limited and CVCIGP II Employee Rosehill Limited have obtained approval for the Offer for Sale pursuant to their board resolutions each dated May 24, 2010. Gautam Nayak and Keshav Bhujle (as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust) have approved the Offer for Sale by letter dated June 17, 2010. Sriba Seabase Private Limited has obtained approval for the Offer for Sale pursuant to board resolution dated May 31, 2010 and UTI has obtained approval for the Offer for Sale pursuant to resolution of the board dated December 20, 2004 and letter dated June 11, 2010. The Selling Shareholders are offering up to 8,765,148 Equity Shares in aggregate, which have been held for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus and, hence, are eligible for being offered for sale in the Issue.

Notes to capital structure

1. Share capital history of our Company

(a) Equity Share capital history of our Company:

Date of allotment	No. of Equity Shares	Face value (Rs.)	Issue price (Rs.)	Nature of consideration	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up equity share capital (Rs.)	Cumulative share premium (Rs.)
February 17, 1995	1,998	10.00	10.00	Cash	Subscribers to Memorandum ⁽¹⁾	1,998	19,980.00	-
September 25, 2002	8,002	10.00	10.00	Cash	Preferential allotment ⁽²⁾	10,000	100,000.00	-
March 31, 2006	1,346,000	10.00	250.00	Cash	Preferential Allotment ⁽³⁾	1,356,000	13,560,000.00	323,040,000.00
September 30, 2006	15,000,000	10.00	10.00	Cash	Preferential allotment ⁽⁴⁾	16,356,000	163,560,000.00	323,040,000.00
September 30, 2006	319,488	10.00	250.00	Cash	Preferential allotment ⁽⁵⁾	16,675,488	166,754,880.00	399,717,120.00
September 30, 2006	1,231,676	10.00	250.00	Other than cash	Preferential allotment ⁽⁶⁾	17,907,164	179,071,640.00	695,319,360.00
September 30, 2006	2,173,651	10.00	10.00	Other than cash	Preferential Allotment ⁽⁷⁾	20,080,815	200,808,150.00	695,319,360.00
June 14, 2007	7,072,935	10.00	211.64	Cash	Preferential allotment pursuant to the CVCI Agreement ⁽⁸⁾	27,153,750	271,537,500.00	2,121,505,973.40
July 19, 2007	1,134,002	10.00	211.64	Cash	Preferential allotment pursuant to the UTI Agreement ⁽⁹⁾	28,287,752	282,877,520.00	2,350,166,136.68
March 31, 2008	14,411	10.00	211.64	Cash	Preferential allotment pursuant to the CVCI Agreement ⁽¹⁰⁾	28,302,163	283,021,630.00	2,353,071,970.72
October 29, 2009	7,552,139	10.00	187.58	Cash	Preferential allotment pursuant to the	35,854,302	358,543,020.00	3,694,180,814.34

Date of allotment	No. of Equity Shares	Face value (Rs.)	Issue price (Rs.)	Nature of consideration	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up equity share capital (Rs.)	Cumulative share premium (Rs.)
Investment Agreement ⁽¹¹⁾								
May 15, 2010	19,06,394	10.00	18.00	Conversion of Class A Preference Shares	Allotment pursuant to conversion of Class A Preference Shares as per the terms of the Investment Agreement ⁽¹²⁾	37,760,696	377,606,960.00	3,709,431,966.34
May 31, 2010	58,529,071	10.00	Nil	Nil	Bonus issue in the ratio 1:1.55 ⁽¹³⁾	96,289,767*	962,897,670.00	3,124,141,256.34

(1) K. Raghu Ramakrishna Raju and K. Rama Devi.

(2) Allotment of 4,004 Equity Shares and 3,998 Equity Shares to N. Muni Reddy and D. Rama Subba Reddy respectively.

(3) Allotment of 68,000 Equity Shares to Marubhoomi Consultants Private Limited, 679,600 Equity Shares to Network Power Private Limited, 148,000 Equity Shares to Toplight Tradelinks Private Limited, 444,400 Equity Shares to Noble Power Private Limited and 6,000 Equity Shares to Silicon Valley Infotech Limited.

(4) Allotment of 3,500,000 Equity Shares to K. Raghu Ramakrishna Raju and 11,500,000 Equity Shares to Sriba Seabase Private Limited.

(5) Allotment of Equity Shares to Sriba Seabase Private Limited.

(6) Allotment of Equity Shares to (i) Marubhoomi Consultants Private Limited in exchange for 2,300,000 equity shares of IBETL, (ii) Top Light Trade Links Private Limited in exchange for 1,909,500 equity shares of IBETL, (iii) Network Power Private Limited in exchange for 1,650,000 equity shares of IBETL, (iv) Ind-Barath Energies Limited in exchange for 437,200 equity shares of IBETL, 11,368,700 equity shares of RRREL and 1,097,600 equity shares of DHPL, (v) Boston Teknowsys(India) Limited in exchange for 634,300 equity shares of RRREL and 3,075,000 equity shares of DHPL, (vi) K. Rama Chandra Rao in exchange for 550,000 equity shares of IBEL, (vii) NATL Technologies Limited in exchange for 1,000,000 equity shares of IBEL, (viii) Jasper Industries Private Limited in exchange for 1,500,000 equity shares of IBEL, 100,000 equity shares of IBETL, 900,000 equity shares of RRREL and 510,000 equity shares of DHPL, (viii) Vamsi Industries Limited in exchange for 170,000 equity shares of IBEL, (ix) B. Rama Krishna in exchange for 50,000 equity shares of DHPL, (x) Chintalapati Holdings Private Limited in exchange for 3,449,500 equity shares of RRREL and 400,000 equity shares of DHPL, (xi) Deccan Cigarette Centre Private Limited in exchange for 150,000 equity shares of IBETL, 150,000 equity shares of DHPL and 200,000 equity shares of IBEML, (xii) Bhaskara Transport Private Limited in exchange for 100,000 equity shares of IBETL, (xiii) Kadamb Constructions Limited in exchange for 90,000 equity shares of IBEL, (xiv) S. Kishore in exchange for 20,000 equity shares of IBEL, and (xv) Sriba Seabase Private Limited in exchange for 50,000 equity shares of IBEL, 32,100 equity shares of RRREL and 80,000 equity shares of DHPL, tendered by such persons. For details of share purchase agreements please refer to section title "Our Subsidiaries" on page 225.

(7) Allotment of Equity Shares to K. Raghu Ramakrishna Raju in exchange for shares of IBEL, IBETL and DHPL. For details of share purchase agreements please refer to section title "Our Subsidiaries" on page 225.

(8) Allotment of 4,533,751 Equity Shares to CVCIGP II Client Rosehill Limited and 2,539,184 Equity Shares to CVCIGP II Employee Rosehill Limited, pursuant to the CVCII Agreement.

(9) Allotment of 1,134,002 Equity Shares to Unit Trust of India Investment Advisory Services Limited A/C Ascent India Fund, pursuant to the UTI Agreement.

(10) Allotment of 14,411 Equity Shares to Gautam Nayak and Keshav Bhujle (as trustees of CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust, CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust and CVCIGP II P.R. Srinivasan Trust), pursuant to the CVCII Agreement.

(11) Allotment of 3,287,402 Equity Shares to Sequoia Capital India Growth Investment Holdings II, 2,043,520 Equity Shares to IFS trustees on behalf of Bessemer Venture Partners Trust, 1,420,905 Equity Shares to CVCIGP II Client Ebene Limited, 795,795 Equity Shares to CVCIGP II Employee Ebene Limited and 4,517 Equity Shares to Gautam Nayak and Keshav Bhujle (as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Ajay Tandon Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Siva Shankar Trust), pursuant to the Investment Agreement.

(12) Allotment of an aggregate of 19,06,394 Equity Shares upon conversion of 34,315 Class A Preference Shares in the following manner: 778,491 Equity Shares to CVCIGP II Client Rosehill Limited upon conversion of 14,012 Class A Preference Shares; 436,004 Equity Shares to CVCIGP II Employee Rosehill Limited upon conversion of 7,848 Class A Preference Shares; an aggregate of 2,474 Equity Shares to Gautam Nayak and Keshav Bhujle (as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust) upon conversion of an aggregate of 45 Class A Preference Shares; 426,474 Equity Shares to Sriba Seabase Private Limited upon conversion of 7,677 Class A Preference Shares; and 262,951 Equity Shares to UTI Venture Funds Management Company Private Limited upon conversion of 4,733 Class A Preference Shares.

(13) No fractional entitlements were issued and cash payments were made in lieu of the fractional entitlements.

(b) Preference Share capital history of our Company:

Date of allotment	No. of Preference Shares	Face value (Rs.)	Issue price (Rs.)	Nature of consideration	Reasons for allotment	Cumulative no. of Preference Shares	Cumulative paid-up preference share capital (Rs.)	Cumulative share premium (Rs.)
March 09, 2006	7,400,000	10.00	10.00	Cash	Allotment of 10% non-convertible cumulative preference shares ⁽¹⁾	7,400,000	74,000,000.00	-
December 29, 2007	650,000	1,000.00	1,000.00	Cash	Allotment of Class A Preference Shares pursuant to the CVCI Agreement ⁽²⁾	8,050,000	724,000,000.00	-
December 29, 2007	160,000	1,000.00	1,000.00	Cash	Allotment of Class A Preference Shares pursuant to the UTI Agreement ⁽³⁾	8,210,000	884,000,000.00	-
March 31, 2008	1,325	1,000.00	1,000.00	Cash	Allotment of Class A Preference Shares pursuant to the CVCI Agreement ⁽⁴⁾	8,211,325	885,325,000.00	-
May 08, 2008	348,675	1,000.00	1,000.00	Cash	Allotment of Class A Preference Shares pursuant to the CVCI Agreement ⁽⁵⁾	8,560,000	1,234,000,000.00	-
October 29, 2009	28,333,333	100.00	100.00	Cash	Allotment of Class B Preference Shares pursuant to the Investment Agreement ⁽⁶⁾	36,893,333	4,067,333,300.00	-
May 15, 2009	(34,315)	1,000.00	1,000.00	Conversion	Conversion of Class A Preference Shares in to Equity Shares ⁽⁷⁾ .	36,859,018	4,033,018,300.00	-

- (1) Allotment of 3,550,000 and 3,850,000 non-convertible cumulative preference shares to Jasper Industries Private Limited and Orissa Hydel Power Jelput Limited respectively.
- (2) Allotment of 416,650 and 233,350 Class A Preference Shares, respectively to each of CVCIGP II Client Rosehill Limited and CVCIGP II Employee Rosehill Limited respectively, pursuant to the CVCI Agreement. All Class A Preference Shares are convertible into Equity Shares, prior to the date of filing of the Prospectus in accordance with terms and conditions described at "Capital Structure-Terms of conversion of Convertible Securities-Terms of conversion of Class A Preference Shares", at page 79.
- (3) Allotment of 160,000 Class A Preference Shares to Unit Trust of India Investment Advisory Services Limited A/C Ascent India Fund, pursuant to the UTI Agreement. All Class A Preference Shares are convertible into Equity Shares, prior to the date of filing of the Prospectus in accordance with terms and conditions described at "Capital Structure-Terms of conversion of Convertible Securities-Terms of conversion of Class A Preference Shares", at page 79.
- (4) Allotment of 1,325 Class A Preference Shares to Gautam Nayak and Keshav Bhujle (as trustees of CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust, CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust and CVCIGP II PR Srinivasan Trust), pursuant to the CVCI Agreement. All Class A Preference Shares are convertible into Equity Shares, prior to the date of filing of the Prospectus in accordance with terms and conditions described at "Capital Structure-Terms of conversion of Convertible Securities-Terms of conversion of Class A Preference Shares", at page 79.
- (5) Allotment of 223,046 Class A Preference Shares to CVCIGP II Client Rosehill Limited, 124,920 Class A Preference Shares to CVCIGP II Employee Rosehill Limited and 709 Class A Preference Shares to Gautam Nayak and Keshav Bhujle (as trustees of CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust, CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust and CVCIGP II PR Srinivasan Trust), pursuant to the CVCI Agreement. All Class A Preference Shares are convertible into Equity Shares, prior to the date of filing of the Prospectus in accordance with terms and conditions described at "Capital Structure-Terms of conversion of Convertible Securities-Terms of conversion of Class A Preference Shares", at page 79.

accordance with terms and conditions described at “Capital Structure-Terms of conversion of Convertible Securities-Terms of conversion of Class A Preference Shares”, at page 79

259,500 Class A Preference Shares were transferred by CVCIGP II Client Rosehill Limited, CVCIGP II Employee Rosehill Limited, Gautam Nayak and Keshav Bhujle (acting as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust) pursuant to the share purchase agreement dated October 26, 2009 to Sriba Seabase Private Limited.

- (6) Allotment of 12,333,333 Class B Preference Shares to Sequoia Capital India Growth Investment Holdings II, 7,666,667 Class B Preference Shares to Bessemer Venture Partners Trust, 5,330,804 Class B Preference Shares to CVCIGP II Client Ebene Limited, 2,985,584 Class B Preference Shares to CVCIGP II Employee Ebene Limited and 16,945 Class B Preference Shares to Gautam Nayak and Keshav Bhujle (as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Ajay Tandon Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Siva Shankar Trust), pursuant to the Investment Agreement. All Class B Preference Shares are convertible into Equity Shares, prior to the date of filing of the Prospectus in accordance with terms and conditions described at “Capital Structure-Terms of conversion of Convertible Securities-Terms of conversion of Class B Preference Shares”, at page 80.
- (7) Allotment of an aggregate of 1,906,394 Equity Shares upon conversion of 34,315 Class A Preference Shares in the manner detailed at “Capital Structure – Notes to capital structure – Share capital history of our Company – Equity share capital history” at page 76.

(c) Promoter Warrants issued by our Company:

- (i) Pursuant to the Investment Agreement and in terms of the resolution of the Board dated November 09, 2009 (as modified by resolution of the Board dated May 06, 2010) and May 15, 2010 and resolution of the shareholders of our Company dated May 10, 2010, our Company has issued 100,000 convertible warrants to our Promoter, Sriba Seabase Private Limited, against a total consideration of Rs. 500,000,000.00. As of the date of this Draft Red Herring Prospectus Sriba Seabase Private Limited has paid a total consideration of Rs. 250,000,000.00 towards these Promoter Warrants. For details of terms of conversion, please refer to the section “Capital Structure–Terms of conversion of Convertible Securities-Terms of conversion of Promoter Warrants” at page 82.
- (ii) In terms of the resolutions of the Board dated November 09, 2009 (as modified by the resolution of the Board dated May 06, 2010) and May 15, 2010 and resolution of the shareholders of our Company dated May 10, 2010, our Company has issued 100,000 convertible warrants to our Promoter, K. Raghu Ramakrishna Raju against a total consideration of Rs. 342,307,692.00. As of the date of this Draft Red Herring Prospectus, K. Raghu Ramakrishna Raju has paid a total consideration of Rs. 171,153,846.00 towards these Promoter Warrants. For details of terms of conversion, please see section “Capital Structure–Terms of conversion of Convertible Securities-Terms of conversion or Promoter Warrants” at page 82.

(d) Shares issued for consideration other than cash:

Date of allotment	No. of Equity Shares	Issued to	Issue price (Rs.)	Reasons for allotment and benefits accruing to our Company
September 30, 2006	1,231,676	Marubhoomi Consultants Private Limited, Top Light Trade Links Private Limited, Network Power Private Limited, Ind-Barath Energies Limited, Boston Teknowsys(India) Limited, K. Rama Chandra Rao, NATL Technologies Limited, Jasper Industries Private Limited, Vamsi Industries Limited, B. Rama Krishna, Chintalapati Holdings Private Limited, Deccan Cigarette Centre Private Limited, Bhaskara Transport Private Limited, Kadamb Constructions Limited, S. Kishore and Sriba Seabase Private Limited.	10.00	Equity Shares allotted in consideration for the acquisition of the shares of IBEL, IBETL, RRREL, DHPL and IBEML, by the Company
September 30,	2,173,651	K. Raghu Ramakrishna	10.00	Equity Shares allotted in consideration

Date of allotment	No. of Equity Shares	Issued to	Issue price (Rs.)	Reasons for allotment and benefits accruing to our Company
2006		Raju		for the acquisition of the shares of IBEL, IBETL and DHPL by the Company
Total				3,405,327

Terms of conversion of Convertible Securities

(a) *Terms of conversion of Class A Preference Shares*

An aggregate of 1,125,685 Class A Preference Shares are currently outstanding as detailed at the section “Capital Structure – Notes to capital structure – Share capital history of our Company – Preference share capital history” at page 77.

- (i) The Class A Preference Shares held by the CVCII Selling Shareholders, UTI and Sriba Seabase Private Limited shall convert into a minimum of 18 Equity Shares and maximum of 8,041,335 Equity Shares in accordance with a(i) and a(ii):

Name of shareholder	Minimum number of Equity Shares to be allotted on conversion ^{#*}	Maximum number of Equity Shares to be allotted on conversion ^{##*}
CVCII Selling Shareholders		
▪ CVCIGP II Client Rosehill Limited	2	3,291,377
▪ CVCIGP II Employee Rosehill Limited	2	1,843,376
▪ Gautam Nayak and Keshav Bhujle as trustees of the following trusts:		
▪ CVCIGP II Ajay Relan Trust	2	7,713
▪ CVCIGP II J K Basu Trust	2	687
▪ CVCIGP II Vivek Chhachhi Trust	2	687
▪ CVCIGP II Vinayak Shenvi Trust	2	687
▪ CVCIGP II P.R. Srinivasan Trust	2	687
UTI	2	1,093,037
Sriba Seabase Private Limited	2	1,803,084
TOTAL	18	8,041,335

[#]If the pre money initial public offering valuation (i.e., the valuation of the Company in the initial public offering without taking into account the subscription monies received by the Company in the initial public offering) of the Company is equal to or more than Rs. 31,870.00 million.

^{##}If the pre money initial public offering (i.e., the valuation of the Company in the initial public offering without taking into account the subscription monies received by the Company in the initial public offering) valuation of the Company is below Rs. 31,870.00 million.

^{*}The details of allotment of Equity Shares under the Amendment Agreement dated May 31, 2010 in relation to the conversion of Class A Preference Shares and Class B Preference Shares have been adjusted for the issue of bonus Equity Shares pursuant to resolution of Board dated May 06, 2010 and May 31, 2010 and resolution of the shareholders of our Company dated May 10, 2010.

(ii) Formula for conversion of Class A Preference Shares

In accordance with (a)(i) above,

- (A) if the pre money initial public offering (i.e., the valuation of the Company in the initial public offering without taking into account the subscription monies received by the Company in the initial public offering) valuation of the Company is more than or equal to Rs. 31,870.00 million, then, the Class A Preference shares shall convert as per the table at (a)(i) above; and
- (B) if the pre money initial public offering (i.e., the valuation of the Company in the initial public offering without taking into account the subscription monies received by the Company in the initial public offering) valuation of the Company is below Rs. 31,870.00 million, then:
- (1) The Class A Preference Shares held by CVCI shall convert in to such number of Equity Shares so as to provide an amount which would result in a 25% per annum rate of return on Rs. 2,963,533,741.00 from October 21, 2009 to the Completion Date (as defined under the Investment Agreement and occurred on October 29, 2009) at the Series II Entry Valuation subject to a maximum of 5,145,214 Equity Shares (as per the table at (a)(i) above).
 - (2) The Class A Preference Shares held by UTI shall convert in to such number of Equity Shares so as to provide an amount which would result in a 25% per annum rate of return on Rs. 637,781,000.00 from October 21, 2009 to the Completion Date (as defined under the Investment Agreement and occurred on October 29, 2009) at the Series II Entry Valuation subject to a maximum of 1,093,037 Equity Shares (as per the table at (a)(i) above).
 - (3) The Class A Preference Shares held by Sriba Seabase Private Limited shall convert in to such number of Equity Shares so as to provide an amount which would result in a 25% per annum rate of return on Rs. 1,038,538,259.00 from October 21, 2009 to the Completion Date (as defined under the Investment Agreement and occurred on October 29, 2009) at the Series II Entry Valuation subject to a maximum of 1,803,084 Equity Shares (as per the table at (a)(i) above).

Where Series II Entry Valuation has been defined under the Investment Agreement as under:

The Subscription Amount (as defined under the Investment Agreement) / Series II Investor stake (in percentage terms of fully diluted and post conversion of equity share capital) in the Company prior to the Issue and prior to issue of any warrants and employee stock options) – the Subscription Amount.

For further details of the Investment Agreement, please refer to the section “History and certain corporate matters –Material Agreements” at page 217.

(b) *Terms of conversion of Class B Preference Shares*

Our Company has issued and allotted an aggregate of 28,333,333 Class B Preference Shares pursuant to the terms of the Investment Agreement, as detailed at the section “Capital Structure – Notes to capital structure – Share capital history of our Company – Preference share capital history” at page 77.

- (i) The Class B Preference Shares held by CVCIGP II Client Ebene Limited, CVCIGP II Employee Ebene Limited, Gautam Nayak and Keshav Bhujle (as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Ajay Tandon Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Siva Shankar Trust) (collectively, “**CVCI Series II Investors**”), Sequoia and Bessemer are convertible into a minimum of 18 Equity Shares and a maximum of 11,612,152 Equity Shares in accordance with b(i) and b(ii).

Name of shareholder	Minimum number of Equity Shares to be allotted on conversion ^{#*}	Maximum number of Equity Shares to be allotted on conversion ^{##*}
CVCI Series II Investors		
▪ CVCIGP II Client Ebene Limited	2	2,184,780
▪ CVCIGP II Employee Ebene Limited	2	1,223,613
▪ Gautam Nayak and Keshav Bhujle as trustees of the following trusts:		
▪ CVCIGP II Vivek Chhachhi Trust	2	1,093
▪ CVCIGP II Vinayak Shenvi Trust	2	1,970
▪ CVCIGP II P.R. Srinivasan Trust	2	1,970
▪ CVCIGP II Siva Shankar Trust	2	1,093
▪ CVCIGP II Ajay Tandon Trust	2	820
Sequoia	2	5,054,701
Bessemer	2	3,142,112
TOTAL	18	11,612,152

[#]If the pre money initial public offering valuation (i.e., the valuation of the Company in the initial public offering without taking into account the subscription monies received by the Company in the initial public offering) of the Company is equal to or more than Rs. 37,280.00 million.

^{##}If the pre money initial public offering (i.e., the valuation of the Company in the initial public offering without taking into account the subscription monies received by the Company in the initial public offering) valuation of the Company is below Rs. 37,280.00 million.

*The details of allotment of Equity Shares under the Amendment Agreement dated May 31, 2010 in relation to the conversion of Class A Preference Shares and Class B Preference Shares have been adjusted for the issue of bonus Equity Shares pursuant to resolution of Board dated May 06, 2010 and May 31, 2010 and resolution of the shareholders of our Company dated May 10, 2010.

(ii) Formula for conversion of Class B Preference Shares

In accordance with (b)(i) above, as per the Investment Agreement, the formula for conversion of Class B Preference Shares is as under:

- (a) The Class B Preference Shares held by Sequoia shall convert into such number of Equity Shares as will (valuing the Equity Shares held by Sequoia and the Equity Shares received on conversion of the Class B Preference Shares and taking into account the Equity Shares resulting from the conversion of the Class B Preference Shares) result in Sequoia receiving an amount equal to the higher of (i) a return of 18% per annum on its investment amount, calculated from the Completion Date (as defined under the Investment Agreement and occurred on October 29, 2009) until the date of fixation of the Issue Price; or (ii) 1.67 times its investment amount subject to customary deductions as provided under the Investment Agreement.
- (b) The Class B Preference Shares held by Bessemer shall convert into such number of Equity Shares as will (valuing the Equity Shares held by Bessemer and the Equity Shares received on conversion of the Class B Preference Shares and taking into account the Equity Shares resulting from the conversion of the Class B Preference Shares) result in Bessemer receiving an amount equal to the higher of (i) a return of 18% per annum on its investment amount, calculated from the Completion Date (as defined under the Investment Agreement and occurred on October 29, 2009) until the date of fixation of the Issue Price; or (ii) 1.67 times its investment amount subject to customary deductions as provided under the Investment Agreement.

- (c) The Class B Preference Shares held by the CVCII Series II Investors shall convert into such number of Equity Shares as will (valuing the Equity Shares held by the CVCII Series II Investors and the Equity Shares received on conversion of the Class B Preference Shares and taking into account the Equity Shares resulting from the conversion of the Class B Preference Shares) result in the CVCII Series II Investors receiving an amount equal to the higher of (i) a return of 18% per annum on its investment amount, calculated from the Completion Date (as defined under the Investment Agreement and occurred on October 29, 2009) until the date of fixation of the Issue Price; or (ii) 1.67 times its investment amount subject to customary deductions as provided under the Investment Agreement.

For further details of the Investment Agreement and terms and pricing for conversion of Class B Preference Shares, please refer to the section "History and certain corporate matters –Material Agreements" at page 217.

(c) *Terms of conversion of Promoter Warrants*

- (i) Pursuant to the Investment Agreement and the resolutions of the Board dated November 09, 2009 (as modified by the resolution of the Board dated May 06, 2010) and May 15, 2010 and resolution of the shareholders of our Company dated May 10, 2010, our Company issued and allotted an aggregate of 100,000 convertible warrants to our promoter, Sriba Seabase Private Limited, which would entitle Sriba Seabase Private Limited to subscribe to a minimum of 2,265,641 Equity Shares and a maximum of 2,728,076 Equity Shares, subject to payment of an aggregate of Rs. 500,000,000.00 within an agreed 'warrant conversion period' valid until earlier of (A) filing of the Prospectus, and (B) November 29, 2010. As on the date of this Draft Red Herring Prospectus, Sriba Seabase Private Limited has paid an aggregate of Rs. 250,000,000.00 towards these Promoter Warrants. The number of Equity Shares to be issued against the Promoter Warrants have been adjusted for the bonus issue pursuant to resolution of Board dated May 06 2010 and May 31, 2010 and resolution of the shareholders of our Company dated May 10 2010 and shall at all times be appropriately adjusted in case of corporate actions including rights issues, bonus issues, consolidation, sub-division of shares, merger, sale of division and other related actions.

At a pre money initial public offering valuation equal to or more than Rs.38,110.00 million, outstanding Promoter Warrants held by Sriba Seabase Private Limited will convert into as many Equity Shares so as to give Sriba Seabase Private Limited 2.19% pre Issue equity shareholding on a fully diluted basis (assuming conversion of all outstanding Convertible Securities and the pool of employee stock options) against payment of Rs. 500,000,000.00 (Rs. 250,000,000.00 of which has been paid by Sriba Seabase Private Limited).

At a pre money initial public offering valuation below Rs. 38,110.00 million, outstanding Promoter Warrants held by Sriba Seabase Private Limited, will convert into as many Equity Shares so as to give Sriba Seabase 2.24% pre Issue equity shareholding on a fully diluted basis (assuming conversion of all outstanding Convertible Securities and the pool of employee stock options) against payment of Rs. 500,000,000.00 (Rs. 250,000,000.00 of which has been paid by Sriba Seabase Private Limited).

- (ii) Pursuant to the resolutions of the Board dated November 09, 2009(as modified by resolution of the Board dated May 06, 2010) and May 15, 2010 and resolution of the shareholders of our Company dated May 10, 2010, our Company issued and allotted an aggregate of 100,000 convertible warrants to our promoter, K. Raghu Ramakrishna Raju, which would entitle the K. Raghu Ramakrishna Raju to subscribe to a minimum of 1,551,093 Equity Shares and a maximum of 3,816,735 Equity Shares, subject to payment of an aggregate of Rs. 342,307,692.00 within an agreed 'warrant conversion period' valid until earlier of (A) filing of the Prospectus, and (B) November 29, 2010. As on the date of this Draft Red Herring Prospectus, K. Raghu Ramakrishna Raju has paid an aggregate of Rs. 171,153,846.00 towards these Promoter Warrants. The number of Equity Shares to be issued against the Promoter Warrants have been adjusted for the issue of bonus Equity Shares pursuant to resolution of Board dated May 06 2010 and May 31, 2010 and resolution of the shareholders of our Company dated May 10 2010 and shall at all times be appropriately adjusted in case of

corporate actions including rights issues, bonus issues, consolidation, sub-division of shares, merger, sale of division and other related actions.

At a pre money initial public offering valuation equal to or more than Rs. 38,110.00 million, outstanding Promoter Warrants held by K. Raghu Ramakrishna Raju will convert into as many shares so as to give K. Raghu Ramakrishna Raju 3.69% pre Issue equity shareholding on a fully diluted basis (assuming conversion of all outstanding Convertible Securities and the pool of employee stock options) against payment of Rs. 342,307,692.00 (Rs. 171,153,846.00 of which has been paid by K. Raghu Ramakrishna Raju.).

At a pre money initial public offering valuation below Rs. 38,110.00 million, outstanding Promoter Warrants held by K. Raghu Ramakrishna Raju, will convert into as many shares so as to give K. Raghu Ramakrishna Raju 1.53% pre Issue equity shareholding on a fully diluted basis (assuming conversion of all outstanding Convertible Securities and the pool of employee stock options) against payment of Rs. 342,307,692.00 (Rs. 171,153,846.00 of which has been paid by K. Raghu Ramakrishna Raju.).

Build up of Promoters' capital, Promoters' contribution and lock-in

(d) History of share capital held by the Promoters:

Name of the Promoter	Date of allotment / fully paid up/ transfer	No. of Equity Shares issued / transferred	Face value (Rs.)	Total number of Equity Shares eligible for lock-in	Issue / Transfer Price / Consideration per Equity Share (Rs.)	Nature of consideration	Reasons
K. Raghu Ramakrishna Raju ^(c)	February 17, 1995	999	10.00	999	10.00	Cash	Subscription to the memorandum
	September 18, 2006	8,002	10.00	8,002	10.00	Cash	Acquisition of Equity Shares
	September 30, 2006	3,500,000	10.00	3,500,000	10.00	Cash	Preferential Allotment
	September 30, 2006	2,173,651	10.00	2,173,651	10.00	Other than cash	Preferential Allotment
	March 22, 2007	3,600	10.00	3,600	250.00	Cash	Acquisition of Equity Shares
	March 22, 2007	800	10.00	800	250.00	Cash	Acquisition of Equity Shares
	November 09 2009	592,360	10.00	Nil	10.00	Cash	Acquisition of Equity Shares
	May 15, 2010	(4,092,360)	10.00	(3,500,000)	10.00	Cash	Transfer of Equity Shares
	May 31, 2010	3,389,930	10.00	3,389,930	-	Bonus issue	Bonus issue in the ratio 1:1.55
Total		5,576,982		5,576,982			
K. Rama Devi	February 17, 1995	999	10.00	999	10.00	Cash	Subscription to the memorandum
	November 09, 2009	745,600	10.00	NA	10.00	Cash	Acquisition of Equity Shares
	May 15, 2010	(745,600)	10.00	NA	10.00	Cash	Transfer of Equity Shares
	May 31, 2010	1,548	10.00	1,548	-	Bonus issue	Bonus issue
Total		2,547		2,547			
Sriba Seabase Private Limited ^(d)	September 30, 2006	319,488	10.00	319,488	250.00	Cash	Preferential Allotment
	September 30, 2006	11,500,000	10.00	11,500,000	10.00	Cash	Preferential Allotment
	September 30, 2006	6,484	10.00	6,484	-	Other than cash	Preferential Allotment
	March 22, 2007	516,140	10.00	516,140	250.00	Cash	Acquisition of Equity Shares
	July 19, 2007	120,400	10.00	120,400	250.00		Acquisition of Equity Shares

Name of the Promoter	Date of allotment / fully paid up/ transfer	No. of Equity Shares issued / transferred	Face value (Rs.)	Total number of Equity Shares eligible for lock-in	Issue / Transfer Price / Consideration per Equity Share (Rs.)	Nature of consideration	Reasons
	October 29, 2009	1,839,167	10.00	-Nil	559.21		Acquisition of Equity Shares
	April 28, 2010	(302,085)	10.00	Nil	562.75	Cash	Sale of Equity Shares
	May 15, 2010	426,474	10.00	Nil	Nil.	-	Conversion of 7,677 Class A Preference Shares pursuant to the terms of the Investment Agreement
	May 15, 2010	(460,000)	10.00	Nil.	559.21	Cash	Transfer of Equity Shares
	May 26, 2010	(1,077,082)	10.00	Nil.	559.21	Cash	Transfer of Equity Shares
	May 31, 2010	19,977,928	10.00	19,316,893	-	-	Bonus issue in the ratio 1:1.55
	June 17, 2010	(1,087,509)	10.00	Nil	6.71	Cash	Transfer of Equity Shares
Total		31,779,405		31,779,405			
Grand Total		37,358,934		37,358,934			

(e) Details of Promoters' contribution locked in for three years:

The Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoter's contribution under Regulation 33 of the SEBI ICDR Regulations. In this connection, as per Regulation 33 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares locked in do not and shall not consist of:

- (i) The Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets or bonus shares out of revaluations reserves or unrealised profits or bonus shares which are otherwise ineligible for computation of Promoters' contribution;
- (ii) The Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- (iii) The Equity Shares issued to the Promoters upon conversion of a partnership firm; and
- (iv) The Equity Shares held by the Promoters that are subject to any pledge.

The Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as "Promoters" under Regulation 2 (za) of the SEBI ICDR Regulations.

The SEBI ICDR Regulations require that an aggregate of 20% of the post-Issue shareholding of the Promoters be considered promoters' contribution and locked-in for a period of three years.

Our Promoters have by a written undertaking dated June 18, 2010, consented for • Equity Shares held by them, constituting 20% of the post-Issue equity share capital of our Company, to be considered as Promoters' contribution and locked-in for a period of three years from the date of Allotment. The details of lock-in are given below:

Name of Promoter	Date on which Equity Shares were allotted	Nature of payment of consideration	Number of Equity Shares locked in	% of post-Issue paid up capital
•	•	•	•	•
•	•	•	•	•
Total				20.00

The lock in of • Equity Shares has been calculated on a fully diluted basis, i.e., with reference to the enlarged capital of • Equity Shares which would arise on (i) the exercise of all outstanding vested options and (ii) the

full conversion of all outstanding Convertible Securities issued by the Company.

The Promoters have pursuant to their undertaking dated June 18, 2010, agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Equity Shares forming part of the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus until the commencement of the lock-in period specified above.

Details of share capital locked in for one year

In addition to the lock-in of the Promoter's contribution specified above, the entire pre-Issue Equity Share Capital, comprising of • Equity Shares, with the exception of Equity Shares which are proposed to be transferred as part of the Offer for Sale, will be locked in for a period of one year from the date of allotment of the Equity Shares in this Issue.

Pursuant to proviso (b) to Regulation 37 of the SEBI ICDR Regulations, Equity Shares held by VCFs or FVCIs for more than one year prior to filing the Draft Red Herring Prospectus would not be subject to the above lock-in. Post the Offer for Sale, an aggregate of • Equity shares held by UTI, a VCF holding such Equity Shares for more than one year prior to the date of filing of this Draft Red Herring Prospectus, would not be subject to the above lock in.

Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promoters' contribution for three years under Regulation 36(a) of the SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the Objects of the Issue. For further details, see the section titled "Objects of the Issue" at page 93.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by the Promoters may be transferred to and amongst the Promoters, the Promoter Group or to new promoters or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI ICDR Regulations has ended, subject to compliance with the Takeover Code, as applicable.

In terms of Schedule XI of the SEBI ICDR Regulations, the Equity Shares allotted to Anchor Investors shall be locked in for a period of 30 days from the date of allotment of such Equity Shares.

In addition, the Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI ICDR Regulations and the Takeover Code, each as amended from time to time.

(4) Details of Equity Shares holding of the Promoters and Promoter Group as of the date of filing this Draft Red Herring Prospectus:

Name	Particulars	Number of Equity Shares	% of paid up Equity Share Capital	Number of Equity Shares held upon conversion of all Convertible Securities (assuming minimum conversion of Convertible Securities)	% of paid up Equity Share Capital (assuming minimum conversion of Convertible Securities)	Number of Equity Shares held upon conversion of all Convertible Securities (assuming maximum conversion of Convertible Securities)	% of paid up Equity Share Capital (assuming maximum conversion of Convertible Securities)	Number of Equity Shares held post Issue	% of Post Issue Capital
K. Raghu Ramakrishna Raju	Equity Shares	5,576,982	5.8	5,576,982	5.6	5,576,982	4.6	5,576,982	•
	Equity Shares on exercise of Promoter Warrants.	Nil	NA	1,551,093	1.5	1,867,683 [#]	1.5	•	•
	Total	5,576,982	5.8	7,128,075	7.1	7,444,665	6.2	•	•
K. Rama Devi	Equity Shares	2,547	0.0	2,547	0.0	2,547	0.0	2,547	•
Sriba Seabase Private Limited	Equity Shares	31,779,405	33.0	31,779,405	31.7	31,779,405	26.4	30,479,405*	•
	Equity Shares on exercise of Promoter Warrants	Nil	NA	2,265,641	2.3	2,728,076	2.3	•	•
	Equity Shares on conversion of Class A Preference Shares	Nil	NA	2	0.0	1,803,084	1.5	•	•
Total Promoter	Total	37,358,934	38.8	41,175,670	41.1	43,757,777	36.3	•	•
K. Bharat	Equity Shares	18,854,210	19.6	18,854,210	18.8	18,854,210	15.6	18,854,210	•
Total Promoter Group	Total	18,854,210	19.6	18,854,210	18.8	18,854,210	15.6	18,854,210	•
Total Promoter and Promoter Group	Total	56,213,144	58.4	60,029,880	60.0	62,611,987	51.9	•	•

[#] It is clarified that this number does not reflect the maximum number of Equity Shares that the Promoter Warrants held by K. Raghu Ramakrishna Raju will convert into. This number denotes the number of Equity Shares that the Promoter Warrants held by K. Raghu Ramakrishna Raju will convert into when all the Convertible Securities taken together convert into the maximum number of Equity Shares. The maximum number of Equity Shares that these Promoter Warrants held by K. Raghu Ramakrishna Raju could convert into shall be 3,816,735. For further details, please refer "Capital Structure-Terms of conversion of Convertible Securities-Terms of conversion of Promoter Warrants", at page 82.

*Adjusted for the Offer for Sale by Sriba Seabase Private Limited

(a) Our top ten shareholders and the number of Equity Shares held by them as of the date of filing this Draft Red Herring Prospectus and ten days prior to filing of the Draft Red Herring Prospectus, is as follows:

Sr. No.	Name	Nature and number of Equity Share	% of total
1.	Sriba Seabase Private Limited*	31,779,405	33.29
2.	K. Bharat	18,854,210	19.75
3.	CVCIGP II Client Rosehill Limited*	10,546,119	11.05
4.	Sequoia Capital India Growth Investments Holdings II *	8,382,875	8.78
5.	CVCIGP II Employee Rosehill Limited*	5,906,485	6.19
6.	K. Raghu Ramakrishna Raju *	5,576,982	5.84
7.	Bessemer Venture Partners Trust *	5,210,976	5.46
8.	CVCIGP II Client Ebene Limited*	3,623,307	3.80
9.	Unit Trust of India Investment Advisory *	3,562,230	3.73
10.	CVCIGP II Employee Ebene Limited*	2,029,277	2.13
	Total	95,471,866	100.00

*For details of the number of Equity Shares that would be allotted pursuant to the conversion/exercise of Convertible Securities, please see "Capital Structure - Terms of conversion of Convertible Securities" at page 79.

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

Sr. No.	Name	No. of Equity Shares (face value of Re. 10 each)	% of total
1.	Sriba Seabase Private Limited*	12,462,512	44.76
2.	K. Raghu Ramakrishna Raju*	5,687,052	20.43
3.	CVCIGP II Client Rosehill Limited*	4,533,751	16.28
4.	CVCIGP II Employee Rosehill Limited*	2,539,184	9.12
5.	UTI Venture Funds Management Company Private Limited*	1,134,002	4.07
6.	Network Power Private Limited	745,600	2.68
7.	Noble Power Private Limited	444,400	1.60
8.	Chintalapati Holdings Private Limited	153,980	0.56
9.	Boston Teknowsys(India) Limited	101,092	0.36
10.	Ind-Barath Commodities Limited	40000	0.14
	Total	27,841,573	100.00

*For details of the number of Equity Shares that would be allotted pursuant to the conversion/exercise of Convertible Securities, please see "Capital Structure - Terms of conversion of Convertible Securities" at page 79.

- (5) The shareholding pattern of our Company as on the date of filing this Draft Red Herring Prospectus is as follows:

Cate-gory code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Post-Issue	Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)		No. of shares	%
(A)	Shareholding of Promoter and Promoter Group								
(1)	Indian								
(a)	Individuals/ Hindu Undivided Family	3	24,433,739	19,133,232	25.38		•	•	16,047,993
(b)	Central Government/ State Government(s)								
(c)	Bodies Corporate	1	31,779,405	31,779,405	33.00		•	•	
(d)	Financial Institutions/ Banks								
(e)	Any Other (specify)								
	Sub-Total (A)(1)		56,213,144	50,912,637	58.38		•	•	
(2)	Foreign								
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)								
(b)	Bodies Corporate								
(c)	Institutions								
(d)	Any Other (specify)								
	Sub-Total (A)(2)								
	Total Shareholding of Promoter and Promoter Group (A)=		56,213,144	50,912,637	58.38		•	•	

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Post-Issue		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	No. of shares	%	No. of shares	%
					(A)(1)+(A)(2)					
(B)	Public shareholding									
(1)	Institutions									
(a)	Mutual Funds/ UTI									
(b)	Financial Institutions/ Banks									
(c)	Central Government/ State Government(s)									
(d)	Venture Capital Funds	1	3,562,230	3,562,230	3.70					
(e)	Insurance Companies									
(f)	Foreign Institutional Investors	2	16,452,604	16,452,604	17.09					
(g)	Foreign Venture Capital Investors	4	19,246,435	11,698,813	19.99					
(h)	Any Other (specify)									
	Sub-Total (B)(1)		39,261,269	31,713,647	40.77					
(2)	Non-institutions									
(a)	Bodies Corporate	3	770,316	770,316	0.80					
(b)	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 1.00 lakh. ii. Individual shareholders holding nominal share capital in excess of Rs. 1.00 lakh.									
(c)	Any Other (specify) Individual shareholders holding on behalf of trusts	2	45,038	40,521	0.05					
	Sub-Total (B)(2)		815,354	810,837	0.85					
	Total Public Shareholding (B)= (B)(1)+(B)(2)		40,076,623	32,524,484	41.62					
	TOTAL (A)+(B)		96,289,767	83,437,121	100.00					
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
	GRAND TOTAL (A)+(B)+(C)	16	96,289,767	83,437,121	100.00					

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

- (7) Except for our Promoter Directors, none of our Directors or Key Management Personnel hold Equity Shares.
- (8) Our Company, our Directors, our Promoters, the Promoter Group their respective directors and the BRLMs have not entered into any buy-back or standby / safety net arrangements for the purchase of the Equity Shares from any person.
- (9) There are no financing arrangements wherein the Promoter Group, the Directors of our Company 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 this Draft Red Herring Prospectus.
- (10) Other than as set out in this section titled ‘Capital Structure’, as of the date of this Draft Red Herring Prospectus, no Equity Shares have been pledged by the Promoter or the Promoter Group.
- (11) Other than set out in this section titled ‘Capital Structure’, our Company has not issued Equity Shares out of revaluation reserves or for consideration other than cash.
- (12) Details of acquisitions/transfers made by our Promoter or Promoter Group during the period of six months immediately preceding the date of this Draft Red Herring Prospectus:

Name of the Promoter/Promoter Group	Date of acquisition/transfer	Acquisition/(transfer) number of Equity Shares	Price per share for the acquisition/transfer (rs.)	Name of the buyer/transferee
Sriba Seabase Private Limited	April 28, 2010	(302,085)	562.75	Nethu Soft Private Limited, NTC Advisors Private Limited and Fouress Consultants Private Limited
K. Raghu Ramakrishna Raju	May 15, 2010	(4,092,360)	10	K. Bharat
K. Rama Devi	May 15, 2010	(745,600)	10	K. Bharat
Sriba Seabase Private Limited	May 26, 2010	(1,077,082)	559.21	K. Bharat
Sriba Seabase Private Limited	May 15, 2010	(460,000)	559.21	K. Bharat
Sriba Seabase Private Limited	June 17, 2010	(1,087,509)	6.71	K. Bharat

Except as provided above neither the members of the Promoter Group nor our Promoters nor the directors of Sriba Seabase Private Limited, nor our Directors and their immediate relatives have purchased or sold any Equity Shares during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

- (13) This Issue is being made for less than 25% of the post-Issue capital pursuant to Rule 19(2)(b)(ii) of the SCRR read with Regulation 41(1) of the SEBI ICDR Regulations. The Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations. Further, this Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis out of which 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Our Company may allocate up to 30% of the QIB Portion to the Anchor Investors on a discretionary basis. One third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price.
- (14) Any oversubscription to the extent of 10% of the Fresh Issue can be retained for the purpose of rounding off while finalising the ‘Basis of Allocation’.

Employee stock option plans

Our Company has instituted the ESOP Scheme, which was approved by the shareholders of our Company at the EGM held on May 10, 2010 and subsequently adopted by the Board by resolution dated May 15, 2010 of the Compensation Committee. Under the ESOP Scheme, adopted for the benefit of employees eligible under the plan, a total of up to 1,245,122 stock options convertible into 1,245,122 equity shares of Rs. 10.00 each (the grant of options under the ESOP Scheme has been adjusted for the bonus issuance made by our Company pursuant to the resolution of our Board and shareholders dated May 06, 2010 and May 10, 2010 respectively and the compensation committee dated May 24, 2010, from time to time, being not more than 1.02% of the fully diluted paid-up Equity Share Capital of the Company at any point in time were earmarked. The Company has granted 582,860 options convertible into 582,860 Equity Shares of face value of Rs.10.00 each on May 22, 2010 as tabulated below, which represents 0.58% of the pre-Issue paid up equity share capital of the Company, assuming minimum conversion of Convertible Securities, 0.48% of the pre-Issue paid up equity share capital of the Company, assuming maximum conversion of Convertible Securities and 0% of the fully diluted post-Issue paid up capital of the Company. The following table sets forth the particulars of the options granted under the ESOP Scheme as of the date of filing the Draft Red Herring Prospectus:

Particulars	Details		
Options granted	582,860		
Date of grant	May 24, 2010		
Exercise price of options			
	Fiscal Year/Period	No. of options granted	Exercise Price (In Rs. per option)
	2011	582,860	183.28
Total options vested (including options exercised)			
	Fiscal Year/Period	No. of options Vested	Cumulative Options Vested
	2011	Nil	Nil
Options exercised			
	Fiscal Year/Period	No. of options exercised	Cumulative Options exercised
	2011	Nil	Nil
Total number of equity shares arising as a result of full exercise of options already granted			
	Fiscal Year/Period	No. of options resulting in equity shares	Cumulative Options resulting in equity shares
	2011	Nil	Nil
Options forfeited/ lapsed/ cancelled	Nil		
Variations in terms of options	Nil		
Money realised by exercise of options (in Rs.)			
	Fiscal Year/Period	Money realized by exercise of options	Cumulative Money realized by exercise of options
	2011	Nil	Nil
Options outstanding (in force)			
	Fiscal Year/Period	No. of outstanding options	
	2011	582,860	
Person wise details of options granted to			
i) Directors and key managerial employees ⁽¹⁾	Name of employee	No. of outstanding options	
	K V R Krishnam Raju	16,703	
	R T Swamy	7,423	
	K Venkateswara Rao	3,093	
	K Krishna Murthy	11,135	
	P V Vijay Kumar	37,117	
	V Narasimha Bharathi	6,186	
	P Venkatgopal	18,558	
	Jagannath Mohapatra	24,745	
	R Balakrishnan	12,372	
	P Myilevel	9,898	
	M N V Sudhakar	37,117	

Particulars	Details		
	K Krishnam Raju		6,186
	T S Das		30,931
	Murlidhar Mishra		23,198
	H B Patnaik		18,558
	R Jarad Kishore		22,270
	G Manoharan		21,652
	Sitaramam Komaragiri		37,117
	Pradeep Manohar Ghodke		46,396
	Dr P V S Jaganmohan Rao		15,465
	D Madhusudana Reddy		64,955
	L Vishwanathan		14,847
ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Fiscal 2010:		
	Name of employee	No. of options granted	% of options granted
	D Madhusudana Reddy	64,955	11.14
	Pradeep Manohar Ghodke	46,396	7.96
	Sitaramam Komaragiri	37,117	6.37
	M N V Sudhakar	37,117	6.37
	P V Vijay Kumar	37,117	6.37
	T S Das	30,931	5.31
iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil		
Impact on fully diluted EPS on a pre-issue basis	Nil*		
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognised if the Company has used fair value of options and impact of this difference on profits and EPS of the Company.	Not applicable since the Company has granted option only in the current Fiscal.		
Weighted average exercise price either equals or exceeds or is less than the market value of the shares.	N.A.		
Weighted average fair values of options whose exercise price equals or is less than the market value of the stock.	N.A.		
Vesting schedule	Options granted under the ESOP Scheme would vest not less than one year and not more than four years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and thus the options would vest on passage of time. However, in addition to this, the Compensation Committee may also specify certain performance parameters subject to which the options would vest. The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the document given to the option grantee at the time of grant of options.		
Lock-in	None		
Impact on profits and EPS of the last three years	Nil		

*As per certificate of chartered accountant M Sreenivasulu Reddy and Associates dated June 01, 2010.

(1) Our Directors and our Key Management Personnel have confirmed to us that they do not intend to sell any Equity Shares arising from such options for a period of three months after the date of listing of the Equity Shares in this Issue. Other employees of our Company holding Equity Shares at the time of listing of Equity Shares on exercise of vested options may sell Equity Shares prior to the expiry of such three-month period after the listing of the Equity Shares. This disclosure is made in accordance with paragraph 15.3 (b) and 15.3 (c) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2000, as amended. Other than set out in this section titled 'Capital Structure', there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares except the options granted under the ESOP Scheme. None of our Directors or employees holds any Equity Shares pursuant to the exercise of any options granted under the ESOP Scheme.

- (15) The Equity Shares are fully paid up and there are no partly paid up Equity Shares as on the date of filing this Draft Red Herring Prospectus.
- (16) The Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment.
- (17) A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.

- (18) Our Company has not raised any bridge loan against the proceeds of the Issue.
- (19) As of the date of filing of this Draft Red Herring Prospectus, the total number of holders of Equity Shares is 16.
- (20) Subject to the Pre-IPO Placement and as otherwise provided in the Draft Red Herring Prospectus, there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus until the Equity Shares issued/ to be issued pursuant to the Issue have been listed or all application moneys have been refunded on account of failure of the Issue. Our Company may issue further Equity Shares to our employees pursuant to exercise of options granted earlier under the ESOP Scheme.
- (21) Subject to the Pre-IPO Placement and as otherwise provided in the Draft Red Herring Prospectus, we presently do not intend or propose to alter our capital structure for six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, including any issue of bonus or rights and any further public issue of securities and any qualified institutions placement.
- (22) There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
- (23) Our Company, the Directors, the Promoters, the Promoter Group and the Group Companies of our Promoters shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Issue.
- (24) Our Promoters, our Promoter Group and our Group Companies will not participate in this Issue.
- (25) Our Company has not made any public issue since its incorporation.

OBJECTS OF THE ISSUE

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

Offer for Sale

The object of the Offer for Sale is to allow the Selling Shareholders to offload up to 8,765,148 Equity Shares. The Company will not receive any proceeds from the Offer for Sale.

Objects of the Fresh Issue

The Objects of the Fresh Issue are:

1. Funding equity contribution in our Subsidiaries to part finance the construction and development costs associated with our Identified Projects (as defined below);
2. General corporate purposes; and
3. Achieve the benefit of listing on the Stock Exchanges.

The main objects and objects incidental or ancillary to the main objects as set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised through this Issue. Further, we confirm that the activities that we have been conducting until now are in accordance with the objects clause of our Memorandum of Association.

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

	<i>(In Rs. million)</i>
	Amount
Gross Proceeds**	11,400.00#
Issue related Expenses* (other than those to be borne by the Selling Shareholders)	•
Net Proceeds*	•

* To be finalised upon determination of the Issue Price

** The Gross Proceeds from the Issue excludes the amount to be raised with respect to the Offer for Sale by the Selling Shareholders

Includes, the proceeds if any, received pursuant to the Pre-IPO Placement

Requirement of funds and use of Net Proceeds

We intend to utilize the net proceeds from the Fresh Issue of Rs. • million (“**Net Proceeds**”) for financing the above mentioned objects. The total fund requirement and detailed utilization of the Net Proceeds is set forth below:

Funding equity contribution in our Subsidiaries to part finance the construction and development costs associated with our Identified Projects and general corporate purposes.

Our Company proposes to utilise a portion of the Net Proceeds to fund equity contribution in our Subsidiaries to part finance the construction and development costs associated with the following projects (collectively, the “**Identified Projects**”, as described in “Description of the Identified Projects” below):

- (a) 300 MW coal- based power project located at Thoothukudi, Tamil Nadu (“**IBTPL Project**”);
- (b) 700 MW coal- based power project located at Jharsuguda, Orissa (“**Utkal Project**”); and
- (c) 660 MW coal-based power project located at Thoothukudi, Tamil Nadu (“**Madras Project**”)

None of our Subsidiaries have any stated dividend policy and our Company cannot be assured of any dividends from our Subsidiaries, including in respect of our equity infusion from the Net Proceeds. Our Company will remain interested in our Subsidiaries, and will derive benefits from our Subsidiaries, to the extent of our shareholding in such Subsidiaries.

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

<i>(In Rs. million)</i>				
S.No.	Project/Activity	Amount proposed to be financed from Net Proceeds	FY 2011	FY 2012
1.	Funding equity contribution in our Subsidiaries to part finance the construction and development costs associated with:			
	Ind-Barath Thermal Power Limited			
	IBTPL Project	1,580.00	790.00	790.00
	Ind-Barath Energy Utkal Limited			
	Utkal Project			
	First Phase	3,670.00	1,835.00	1,835.00
	Ind-Barath Power Madras Limited			
	Madras Project			
	First Phase	5,150.00	4,320.00	830.00
2.	General corporate purposes*	•	•	•
	TOTAL	•	•	•

* To be finalised upon determination of Issue Price

The following table sets forth the total expenditure expected to be incurred on the Identified Projects and amounts proposed to be financed from Net Proceeds:

<i>(In Rs. million)</i>				
Name of Project	Total Estimated Cost	Amount incurred as of April 30, 2010 ⁽⁴⁾	Balance Cost	Amount proposed to be financed from Net Proceeds
IBTPL Project ⁽¹⁾	12,970.00	3,494.20	9,475.80	1,580.00
Utkal Project ⁽²⁾	31,850.00	6,178.68	25,671.32	3,670.00
Madras Project ⁽³⁾	35,950.00	184.94	35,765.06	5,150.00
Total	80,770.00	9,857.82	70,912.18	10,400.00

(1) Total Estimated Cost as per the project information memorandum prepared by IL&FS Financial Services Limited dated December 2009. Please refer to "Description of Identified Projects" below for further details.

(2) Total Estimated Cost as per the information memorandum prepared by PFC Limited dated October 2009. Please refer to "Description of Identified Projects" below for further details.

(3) Total Estimated Cost as per the Detailed Project Report ("DPR") prepared by Aquatherm Engineering Consultants Private Limited dated February 2010. Please refer to "Description of Identified Projects" below for further details.

(4) As per the certificate of M. Sreenivasulu Reddy & Associates dated May 28, 2010 with respect to IBTPL Project, certificate of M.Sreenivasulu Reddy & Associates dated May 29, 2010 with respect to Utkal Project and certificate of Manohar & Venkata Chartered Accountants dated May 29, 2010 with respect to the Madras Project. Amount incurred includes the cash and bank balances pending deployment.

The fund requirements mentioned above are based on the current business plan of our Company. Our Company may have to revise its 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 coal, 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 Company's control. This may include rescheduling of the capital expenditure programs or changes in the capital expenditure for a particular purpose vis-à-vis current plans at the discretion of the management of our Company. There may also be requirements that may arise on account of new acquisitions, mergers and award of various projects that our Company has either bid for or is 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 or debt infusion. In case of surplus funds either due to lower utilisation than what is stated above or surplus Issue proceeds after meeting all the above mentioned objects, the same shall be utilised towards general corporate purposes.

Please refer to "Risk Factors – No. 17" on page 19.

Details of the activities to be financed from the Net Proceeds

A) IBTPL Project – 300 MW Coal Based Power Project at Thoothukudi, Tamil Nadu

Means of finance

The total funds required for the IBTPL Project are approximately Rs. 12,970.00 million. 75% of the stated means of finance, excluding Net Proceeds for the IBTPL Project has been arranged as follows:

Particulars	Amount	<i>(In Rs. million)</i>
Estimated costs for IBTPL Projects (A) ⁽¹⁾		12,970.00
Amount incurred as of April 30, 2010 (B) ⁽²⁾		3,306.70
Cash/ Bank balance awaiting deployment as of April 30, 2010 (B) ⁽²⁾		187.50
Balance costs (C) = (A-B)		9,475.80
Amount proposed to be financed through Net Proceeds (D)		1,580.00
Funding required excluding the Net Proceeds (E) = (C – D)		7,895.80
75% of the funding required excluding the Net Proceeds (F) = 75% of (E)		5,921.85
Debt facility sanctioned by Banks ⁽³⁾	10,046.00	
Less: Amounts already utilized from the sanctioned amounts as of April 30, 2010 ⁽⁴⁾	2,057.80	
Balance amounts available from sanctioned debt facility as of April 30, 2010		7,988.20
Total amounts tied up (G) (To be greater than or equal to F)		7,988.20

(1) Total Estimated Cost as per the project information memorandum prepared by IL&FS Financial Services Limited dated December 2009.

(2) As per the certificate of M. Sreenivasulu Reddy & Associates dated May 28, 2010

(3) Please refer to "Debt Facility" below for further details in respect of the IBTPL Projects

(4) Includes an amount of Rs.552.20 million of buyers credit

Debt Facility

IBTPL has entered into a Common Loan Agreement dated April 12, 2008 between itself and the PNB Consortium. The details of the same are covered below:

(In Rs. million)

S.No.	Name of the bank / financial Institution	Pro-rata Sanctioned*	Amount	Amount drawn down as of April 30, 2010*	Balance available	amounts
1	Punjab National Bank		1,970.00	73.20		1,896.80
2	Canara Bank		1,000.00	164.60		835.40
3	Vijaya Bank		980.00	161.30		818.70
4	UCO Bank		980.00	161.30		818.70
5	L&T Infrastructure Finance Company Limited		790.00	130.00		660.00
6	State Bank of Mysore		500.00	82.20		417.80
7	State Bank of Travancore		500.00	82.20		417.80
8	Axis Bank		490.00	40.00		450.00
9	Bank of India		980.00	161.30		818.70
10	Indian Bank		490.00	18.20		471.80
11	State Bank of Indore		250.00	41.10		208.90
12	Syndicate Bank		488.00	80.20		407.80
	Total		9418.00	1,195.60		8,222.40

*As per the certificate of M.Sreenivasulu Reddy & Associates dated May 28, 2010

The above shall be categorized as the “Senior Debt”. In addition the Senior Debt carries a letter of credit sub-limit of Rs.3,550.00 million. In addition IBTPL has entered into Subordinate debt arrangements with L&T Infrastructure Finance and State Bank of Mysore (“First Subordinate Debt”) dated March 02, 2008 and a common loan agreement dated March 31, 2008 as amended on September 11, 2008 for subordinate debt with IL&FS consortium and together with the First Subordinate Debt, the “Subordinate Debt”. The details of the same are captured below:

(In Rs. million)

S.No.	Name of the bank / financial Institution	Amount Sanctioned*	Amount drawn down as of April 30, 2010*	Balance available	amounts
1	L&T Infrastructure Finance Company Limited	200.00	98.67		101.33
2	State Bank of Mysore	100.00	49.33		50.67
3	Canara Bank	30.94	15.28		15.66
4	UCO Bank	30.94	15.28		15.66
5	Vijaya Bank	12.38	6.11		6.27
6	Indian Bank	30.94	15.28		15.66
7	Bank of India	30.94	15.28		15.66
8	Syndicate Bank	24.75	12.38		12.37
9	Oriental Bank of Commerce	30.94	15.28		15.66
10	IL&FS Financial Services Limited	30.94	15.28		15.66
11	Indian Overseas Bank	30.94	15.28		15.66
12	Central Bank of India	24.75	12.38		12.37
13	Bank of Maharashtra	12.38	6.11		6.27
14	Dena Bank	12.38	6.11		6.27
15	United Bank of India	12.38	6.11		6.27
16	Corporation Bank	12.38	6.11		6.27
	Total	628.00	310.00		318.00

*As per the certificate of the M.Sreenivasulu Reddy & Associates dated May 28, 2010

Punjab National Bank being the lead banker for the facility has vide its letter dated February 26, 2010 granted approval for the change in the scope of the project due to project relocation to Thoothukudi district in Tamil Nadu and the consequent change in project costs and means of finances. IL&FS being the facility manager with respect to the Subordinate Debt has vide its letter dated May 14, 2010 has granted approval for the change in the scope of the project due to the project relocation to Thoothukudi district in Tamil Nadu and the consequent change in project costs and means of finances.

IBTPL has also availed of a buyer’s credit for an aggregate consideration of Rs.552.20 million from Standard Chartered, Singapore and Axis Bank, Hong Kong.

For further information please refer to Financial Indebtedness section beginning of page 356.

Description of the IBTPL Project

IBTPL Project

Our Company is implementing the IBTPL Project, a 300 MW (2x150) power plant, through our Subsidiary, Ind-Barath Thermal Power Limited. The total project cost for developing the IBTPL Project is estimated to be approximately Rs. 12,970.00 million. As of April 30, 2010, the aggregate amount incurred with respect to the IBTPL Project, as certified by M.Sreenivasulu Reddy & Associates by their certificate dated May 28, 2010, is Rs. 3,494.20 million including cash/bank balance available for deployment of Rs.187.50 million. Our Company is proposing to utilise Rs. 1,580.00 million from the Net Proceeds to part finance the construction and development of IBTPL Project. The balance amount of Rs. 7,895.80 million is proposed to be funded through a combination of equity contribution in IBTPL by our Company and its Subsidiaries through internal accruals and debt financing by IBTPL.

Ind-Barath Thermal Power Limited was formerly known as Ind Barath Power (Karwar) Limited or IBPKL. IBPKL had proposed setting up of a 300 MW imported coal based power plant at Hankon Village in Uttara Kannada district of Karnataka ("Karwar Project"). However, despite award of all statutory clearances including Environment Clearance and Consent for Establishment, commencement of construction activities at project site had been held up on account of protests from local political / environmental groups. In view of the inordinate delay in Project construction and consequent delay in Project commissioning, and taking interests of all stakeholders into consideration, the Company shifted the Karwar Project to an alternate location in Thoothukudi in Tamil Nadu.

(a) Project Cost

As set out in the information memorandum dated December 2009 prepared by IL&FS Financial Services Limited, the breakdown of the project cost for IBTPL Project is set out below:

<i>(In Rs. million)</i>	
Particulars	Amount
Land	90.00
EPC Package	6,000.00
Civil works	1,850.00
Electrical & Mechanical Balance of Parts	800.00
Transmission lines	250.00
Physical Contingencies	319.00
Air Cooled Condenser	300.00
Transfer of Equipments to new location	30.00
DSRA	640.00
Preliminary, Pre-Operative and Financing Expenses	873.00
Margin Money for Working Capital	367.00
Interest during Construction	1,361.00
Total	12,970.00*

* The total estimated cost does not include Rs.125.30 million incurred towards land and civil works at the Karwar site. The civil works may be considered as "Sunk Costs". IBTPL additionally incurred Rs.55.00 million towards civil construction material that has since been shifted to the new site at Thoothukudi

Land and Site Development

The aggregate land requirement for the project is 270 acres. Ind-Barath Thermal Power Limited has acquired as of March 31, 2010, 269.85 acres for a total consideration of Rs.103.20 million. The civil contract has been awarded to Nutan Nirman Private Limited at a contracted value of Rs.1,850.00 million. The scope of work includes procurement and supply of construction material and construction and execution of civil works required for the project.

EPC Cost (Power plant supplies, erection and commissioning)

The EPC contract and the service contract for the project has been awarded to Greenesol Power Systems Private Limited. IBTPL has signed a supply agreement with Greenesol Power Systems Private Limited dated February 22, 2008 for a total contract value of Rs. 5,490.00 million. The scope of work under the supply agreement includes providing assistance in the design, engineering, manufacture or procurement of parts, packing and forwarding of parts and final handover of the constructed project. IBTPL also signed a service agreement with Greenesol Power Services Private Limited dated February 22, 2008 for a total contract value of Rs. 450.00 million. The scope of work under the service agreement includes providing assistance with issues such as port clearance, forwarding of equipment, inland transportation, erection of equipment and the provision of technical training to IBTPL employees.

Mechanical, electrical and civil works (Balance of Plant)

IBTPL has entered into a letter of intent dated April 30, 2010 for electrical BOP for design, supply, erection, testing and commissioning for the IBTPL project with ABB Limited for a value of Rs.531.90 million.

Coal Arrangements

The estimated fuel requirement for the IBTPL Project is 1.03 million metric tonnes as per the information memorandum prepared by IL&FS Financial Services Limited dated December 2009. Pursuant to an agreement dated May 15, 2008 and as amended on October 26, 2009, and further amended on May 5, 2010 between IBTPL and our Subsidiary, PTIB, IBTPL agreed to purchase between 846,000 – 1,034,000 metric tonnes of coal, depending on IBTPL's actual requirements, on an annual basis from September 2011 to February 2020. The base price of the coal is fixed at US\$ 56.00 per metric tonne until August 2016 and is subject to an escalation of 5.0% after five years.

We have applied for a domestic coal linkage for the balance of coal required, if any, in relation to the IBTPL Power Project. On January 29, 2010, in response to our application, the Standing Linkage Committee for Power facilitated the issuance of a letter of assurance by Coal India Limited for the provision of coal for this power project.

Evacuation and Transmission line

The following evacuation scheme is proposed for the project

- (i) A 230 KV line from the plant to the existing IBPGL Plant of our Subsidiary;
- (ii) A 230 KV line from the plant to Thoothukudi SIPCOT (Meelavittan) 230 KVSS; and
- (iii) Strengthening of existing 145 Km line from 230 KV Meelavittan sub station to 440/230 KV Chekkanurani sub station.

A total cost of Rs.250.00 million is expected to be incurred for the evacuation scheme.

Pre-operative, preliminary expenses and financing expenses

Pre-operative, preliminary and financing expenses include consulting and financing costs, staff salaries and administration expenses and other project implementation expenditure aggregating to Rs.873.00 million. IBTPL has already incurred Rs.565.20 million as of April 30, 2010.

Margin money for working capital and interest during construction

A provision of Rs.367.00 million towards margin money for working capital has been made by our Company based on projected current assets requirements. The margin money requirement represents 25% of the total working capital for the project based on CERC norms. Interest during construction has been estimated at Rs.1,361.00 million.

Contingency

IBTPL has created a provision for physical contingency of approximately 2.5% of the total project costs. The contingency provision is expected to cover any increase in project cost, including increase in township cost and establishment cost due to increase in cost of raw materials including cement, steel and iron.

For further details in relation to the IBTPL Project refer to section titled “Our Business” on page 139.

(b) Schedule of implementation

The schedule of implementation of various establishment and development activities for IBTPL Project is set forth below:

Milestone / Activity*	Scheduled/estimated date of completion*	Actual date of completion/status*	Reasons for delays if any*
Land and site development	May 2010	April 2010	NA
Technical and engineering work	September 2010	Pending	NA
Transmission line	November 2011	Pending	NA
Civil work	May 2011	Pending	NA
Installation of equipment		Pending	
Unit I	November 2011	Pending	NA
Unit II	February 2012	Pending	NA
Trial run		Pending	
Unit I	December 2011	Pending	NA
Unit II	March 2012	Pending	NA
Date of commercial operations		Pending	
Unit I	March 2012	Pending	NA
Unit II	June 2012	Pending	NA

*As per the certificate provided by the management of the IBTPL dated May 15, 2010

(c) Funds deployed

The details of the funds deployed towards the IBTPL Project as of April 30, 2010 is provided below:

Item	Amount incurred as of April 30, 2010 *	Sources of funds*
Land and site development	105.70	Equity infusion by IBPIL , Senior, Subordinate debt and Buyers credit
Civil Works including Site Development and BOP Civil	219.00	Equity infusion by IBPIL , Senior, Subordinate debt and Buyers credit
BTG & BOP	2,412.00	Equity infusion by IBPIL , Senior, Subordinate debt and Buyers credit
Miscellaneous Fixed Assets	4.80	Equity infusion by IBPIL , Senior, Subordinate debt and Buyers credit
Preliminary, Pre-operative and finance charges	565.20	Equity infusion by IBPIL , Senior, Subordinate debt and Buyers credit
Cash and Bank Balances	187.50	Equity infusion by IBPIL , Senior, Subordinate debt and Buyers credit
Total	3,494.20	

* As per the certificate of M.Sreenivasulu Reddy & Associates dated May 28, 2010.

B) Utkal Project – 700 MW Coal Based Power Project at Jharsuguda, Orissa

Means of finance

The total funds required for the Utkal Project are approximately Rs. 31,850.00 million. 75% of the stated means of finance, excluding Net Proceeds for the Utkal Project has been arranged as follows:

<i>(In Rs. million)</i>	
Particulars	Amount
Estimated costs for Utkal Projects (A) ⁽¹⁾	31,850.00
Amount incurred as of April 30, 2010 (B) ⁽²⁾	3,063.73
Cash and Bank balances pending deployment (B) ⁽²⁾	3,114.95
Balance costs (C) = (A-B)	25,671.32
Amount proposed to be financed through Net Proceeds (D)	3,670.00
Funding required excluding the Net Proceeds (E) = (C - D)	22,001.32
75% of the funding required excluding the Net Proceeds (F) = 75% of (E)	16,500.99
Debt facility sanctioned by Banks ⁽³⁾	23,890.00
Less: Amounts already utilized from the sanctioned amounts as of April 30, 2010 ⁽²⁾	1,885.50
Balance amounts available from sanctioned debt facility as of April 30, 2010 ⁽²⁾	22,004.50
Total amounts tied up (G) (To be greater than or equal to F)	22,004.50
<i>(1) Total Estimated Cost as per the project information memorandum prepared by PFC IM in October 2009.</i>	
<i>(2) As per the certificate of M.Sreenivasulu Reddy & Associates dated May 29, 2010</i>	
<i>(3) Please refer to "Term Loan Arrangement" below for further details in respect of the Utkal Project</i>	

Term Loan Arrangement

IBEUL has entered into a common rupee term loan agreement with a consortium of lenders dated March 29, 2010. The table below provides details of the same:

<i>(In Rs. million)</i>				
S.No.	Name of the bank / financial Institution	Amount Sanctioned*	Amount drawn down as of April 30, 2010*	Balance amounts available
1	Andhra Bank	1,150.00	Nil	1,150.00
2	Axis Bank	1,000.00	Nil	1,000.00
3	Bank of India	1,150.00	Nil	1,150.00
4	Bank of Baroda	1,150.00	Nil	1,150.00
5	Corporation Bank	900.00	123.90	776.10
6	Jammu & Kashmir Bank	600.00	Nil	600.00
7	Karnataka Bank	600.00	Nil	600.00
8	Karur Vysya Bank	290.00	Nil	290.00
9	L&T Infrastructure Finance Company Limited	700.00	Nil	700.00
10	Punjab National Bank	1,800.00	Nil	1,800.00
11	UCO Bank	1,800.00	247.70	1,552.30
12	Union Bank of India	1,150.00	Nil	1,150.00
13	United Bank of India	600.00	Nil	600.00
14	Power Finance Corporation Limited	11,000.00	1,513.90	9,486.10
Total		23,890.00	Nil	22,004.50

*As per the certificate of M.Sreenivasulu Reddy & Associates, dated May 29, 2010

For further detail please refer the section on Financial Indebtedness beginning on page 356

Description of the Utkal Project

Utkal Project

Our Company is implementing the Utkal Project, a 700 MW project, through our Subsidiary, Ind-Barath Energy (Utkal) Limited in Jharsuguda, Orissa. The total project cost for developing the Utkal Project is estimated to be approximately Rs. 31,850.00 million. As of April 30, 2010, the aggregate amount incurred with respect to the Utkal Project, as certified by M. Sreenivasulu Reddy & Associates by their certificate dated May 29, 2010, is Rs. 6,178.68 million including cash/bank balances pending deployment aggregating to Rs.3,114.95 million. Our Company is proposing to utilise Rs. 3,670.00 million from the Net Proceeds to part finance the construction and development of Utkal Project. The balance amount of Rs 22,001.32 million is proposed to be funded through debt financing.

(a) Project Cost

As set out in the information memorandum dated October 2009 prepared by PFC Limited, the breakdown of the project cost for Utkal Project is set out below:

Particulars	Amount	(In Rs. million)
Land		400.00
Civil works		4,800.00
BTG – Erection and Commissioning		13,320.00
BOP		5,220.00
Miscellaneous Fixed Assets		1,000.00
Transmission Lines		400.00
Contingencies		880.00
Preliminary, Pre-Operative and Financing Expenses		1,160.00
Margin Monies on working capital		600.00
Interest during construction		4,070.00
Total		31,850.00

Land and Site Development

The aggregate land requirement for the project is 464 acres. Ind-Barath Energy (Utkal) Limited has acquired and registered as of April 30, 2010, the required land for a total consideration of Rs.216.60 million. The civil contract has been awarded to a leading Indian EPC service provider at a contracted value of Rs.4,730.00 million vide agreement dated January 07, 2010. The scope of work includes providing all civil and structural works including supply of cement, reinforcement steel and structural steel required for the project. As of April 30, 2010 IBEUL has incurred Rs.457.06 million towards civil works.

EPC Cost (Power plant supplies, erection and commissioning)

IBEUL has entered into a supply agreement with Cethar Vessels Limited, dated May 16, 2009, for a total value of Rs. 10,990.00 million. The scope of work under the supply agreement includes supply of all equipment, auxiliaries and accessories. IBEUL has also entered into a service agreement with Cethar Vessels Limited, dated May 16, 2009, for a total value of Rs. 725.00 million. The scope of work includes proper execution of the erection work of the power project.

As of April 30, 2010, IBEUL has incurred Rs. 1,901.68 million in implementation costs. The project is expected to be completed by March 2012.

Mechanical, electrical and civil works (Balance of Plant)

The cost of Balance of Plant (electrical works including Switchyard, Control & Instrumentation, DG Sets etc and mechanical works) has been estimated at Rs. 5,220.00 million. IBEUL has awarded the BOP contract to a leading Indian EPC service provider vide agreement dated January 07, 2010 for Rs.4,230.00 million, the scope of work of which includes supply of all items of equipment, auxiliaries and accessories. IBEUL has also entered into an agreement with a leading Indian EPC service provider dated January 07, 2010 for providing erection, testing and commissioning services for balance of plant facilities for a consideration of Rs. 510.00 million.

Coal arrangement

We estimate that upon full commissioning of all units, our fuel requirement for of the Utkal Project will be 11,500 metric tonnes of domestic coal per day. IBEUL has received a letter of assurance from Mahanadi Coalfields Limited on July 8, 2009 for supply of 1.95 million tonnes per annum of Grade F coal towards a 450.0 MW power project. In addition, IBEL received a letter of assurance from Mahanadi Coalfields Limited on December 29, 2008 for supply of 1.12 million tonnes per annum of Grade F coal towards a 250.0 MW power project. Pursuant to a scheme of arrangement order issued by the Hyderabad High Court on December 26, 2008, the IBEL letter was transferred to IBEUL.

Evacuation and Transmission line

The power generated from the plant will be evacuated through one of the four 400 kV transmission line circuits of PGCIL. IBEUL and others have signed a long term open access agreement with Power Grid Corporation of India Limited under which IBEUL will receive open access for up to 616.00 MW of electricity for 25 years from the scheduled date of commissioning of the units. The transmission lines would be built at an estimated cost of Rs. 400.00 million, which has been included as a part of project cost.

Pre-operative, preliminary expenses and financing expenses

The pre-operative expenses estimated at Rs. 1,160.00 million account for engineering consultancy charges, development charges, financial advisory, legal, insurance charges.

Margin money for working capital and interest during construction

The margin money on working capital has been estimated at Rs. 600.00 million based on first year of operation. The Interest during Construction is estimated at Rs. 4,070.00 million.

Contingency

Contingencies are calculated @3.5% of the total cost of works aggregating to Rs. 880.00 million. The contingency provision is expected to cover any increase in project cost, including increase in township cost and establishment cost due to increase in cost of raw materials including cement, steel and iron.

For further details in relation to the Utkal Project refer to section titled “Our Business” on page 139.

(b) Schedule of implementation

The schedule of implementation of various establishment and development activities for Utkal Project is set forth below:

Milestone / Activity*	Scheduled/estimated date of completion*	Actual date of completion/status*	Reasons for delays if any*
Land and site development	March 2010	March 2010	NA
Technical and engineering work	September 2010	Pending	NA
Transmission line	December 2011	Pending	NA
Civil work	June 2011	Pending	NA
Installation of equipment		Pending	
Unit I	October 2011	Pending	NA
Unit II	December 2011	Pending	NA
Trial run		Pending	
Unit I	November 2011	Pending	NA
Unit II	January 2012	Pending	NA
Date of commercial operations		Pending	
Unit I	January 2012	Pending	NA
Unit II	March 2012	Pending	NA

*As per the certificate of the management of IBEUL dated May 15, 2010

(c) Funds deployed

The details of the funds deployed towards the Utkal Project as of April 30, 2010 is provided below:

Item	Amount incurred as of April 30, 2010 *	Sources of funds*
Land and site development	216.60	Equity contribution and debt drawdown
Civil works	457.06	Equity contribution and debt drawdown
Advances towards plant and machinery	1,901.68	Equity contribution and debt drawdown
Miscellaneous fixed assets	7.77	Equity contribution and debt drawdown
Preliminary, pre-operative and finance charges	480.62	Equity contribution and debt drawdown
Cash and Bank Balances pending deployment	3,114.95	Equity contribution and debt drawdown
Total	6,178.68	

* As per the certificate of M.Sreenivasulu Reddy & Associates dated May 29, 2010.

C) Madras Project – 660 MW Coal Based Power Project at Thoothukudi, Tamil Nadu

Means of finance

The total funds required for the Madras Project are approximately Rs. 35,950.00 million. 75% of the stated means of finance, excluding Net Proceeds for the Madras Project has been arranged as follows:

Particulars	Amount	(In Rs. million)
Estimated costs for Madras Projects (A) ⁽¹⁾		35,950.00
Costs incurred towards the project as of April 30, 2010 (B) ⁽²⁾		184.07
Cash and Bank Balance pending deployment as of April 30, 2010 (B) ⁽²⁾		0.87
Balance costs (C) = (A-B)		35,765.06
Amount proposed to be financed through Net Proceeds (D)		5,150.00
Funding required excluding the Net Proceeds (E) = (C - D)		30,615.06
75% of the funding required excluding the Net Proceeds (F) = 75% of (E)		22,961.30
Underwriting facility extended by Axis Bank Limited dated March 24, 2010 ⁽³⁾	26,960.00	
Less: Amounts already availed as of April 30, 2010	Nil	
Balance amounts available from facility		26,960.00
Total amounts tied up (G) (To be greater than or equal to F)		26,960.00

(1) Total Estimated Cost as per the detailed project report prepared by Aquatherm Engineering Consultants Private Limited dated February 2010.

(2) As per the certificate of Manohar & Venkata Chartered Accountants dated May 29, 2010.

(3) Please refer to "Underwriting Letter" below for further details in respect of the Identified Projects.

Underwriting Letter

The company has received a sanction letter from Axis Bank dated March 24, 2010 to underwrite term loan of Rs.26,960.00 million with a letter of credit sub limit of Rs.4,000.00 million. The letter provides for creation of security including first charge on moveable and immovable properties of the company including assignment of rights under various contracts and approvals and pledge of shares representing 51% of total project equity. The letter further provides that the door-to-door tenor of the loan would be 14 years repayable in 40 equal quarterly instalments commencing from September 30, 2014. The rate of interest of the facility will be 11.25% to 11.75% payable monthly and linked to Benchmark Prime Lending Rate, with underwriting at the higher end of the band.

lities for the land.

For further details, please refer to the section titled "Financial Indebtedness - Ind-Barath Power (Madras) Limited" on page 390.

Description of the Madras Project

Madras Project

The Madras Project, a 660 MW project, is Phase I of a 1,320 MW (2x660) power project of our Company that it is implementing through our Subsidiary, Ind Barath Power (Madras) Limited in Thoothukudi, Tamil Nadu. The total project cost for developing the Madras Project is estimated to be approximately Rs. 35,950.00 million. As of April 30, 2010, the aggregate amount incurred with respect to the Madras Project, as certified by Manohar & Venkata Chartered Accountants by their certificate dated May 29, 2010, is Rs. 184.07 million and cash and bank balances pending deployment of Rs.0.87 million. Our Company is proposing to utilise Rs. 5,150.00 million from the Net Proceeds to part finance the construction and development of Madras Project. The balance amount of Rs. 30,615.06 million is proposed to be funded through debt financing and further equity infusion by our Company or our Subsidiaries from internal accruals.

(a) Project Cost

As set out in the detailed project report dated February 2010 prepared by Aquatherm Engineering Consultants Private Limited, the breakdown of the project cost for Madras Project is set out below:

<i>(In Rs. million)</i>	
Particulars	Amount
Land	650.00
Civil works	5,304.30
BTG – Erection and Commissioning	14,320.00
BOP	6,885.70
Miscellaneous Fixed Assets	1,470.00
Transmission Lines	520.00
Preliminary and pre-operative expenses	1,260.00
Contingencies	1,050.00
Margin Monies on working capital	480.00
Interest during construction	4,010.00
Total	35,950.00

Land and Site Development

The total land required for both phases of the project is 600 acres of which Phase I requirement is 460 acres. Ind Barath Energy (Madras) Limited has identified the land required for the project at Manappad, Thoothukudi district in Tamil Nadu. The estimated costs of land developments including the land costs is Rs.650.00 million. Necessary acquisition process has been initiated with Government. As of April 30, 2010 IBPML has incurred Rs.165.00 million as advances towards land. IBPML is currently in the process of acquiring/registration of the land.

EPC Cost (Power plant supplies, erection and commissioning)

The proposed plant would comprise of one supercritical once through assisted circulation and pulverised coal fired steam generators and auxiliaries and one 660 MW steam turbine generators & auxiliaries. IBPML is currently negotiating a BTG package with Sokeo Power Private Limited, Runh Power Plant Engineering Technology Company Limited and Harbin Turbine Company Limited. The BTG package is expected to cost US\$ 228.00 million or Rs.1,700.00 million excluding related services in designing, engineering, erection and commissioning.

Mechanical, electrical and civil works (Balance of Plant)

The cost of Balance of Plant (electrical works including Switchyard, Control & Instrumentation, DG Sets etc and mechanical works) has been estimated at Rs. 6,885.70 million. The major costs shall be towards coal handling systems, cooling system and ash handling facility.

Coal arrangement

The project required 3.49 million tonnes per annum of coal at a plant load factor of 100% and assumed gross calorific value of 3,360 kilocalories per kilogram of fuel. IMPML has made the necessary applications for

domestic coal linkages. On January 29, 2010 in response to the application, the Standing Linkage Committee for Power facilitated the issuance of a letter of assurance by Coal India Limited for the provision of coal for this power project. On April 29, 2010, Coal India Limited issued a letter requiring us to provide commitment guarantees for purpose of issuance of letter of assurance. IBPML has furnished the required guarantees as of May 6, 2010. The domestic coal allocation is estimated to meet up to 70% of the coal requirements for the project and the balance 30% would be imported.

IBPML has further entered into a long term coal supply agreement with our Subsidiary PTIB dated April 15, 2010. Under the agreement, PTIB has agreed to sell and deliver to IBPML annually 750,000 metric tonnes (+/- 10%) with reference to gross calorific value of 5,400 kcal/kg at a price of US\$ 56 per metric tonne of coal sold for a period of 5 years from the date of first delivery of coal under the agreement. The agreement may be extended for a further period of 5 years each time on a mutually agreeable basis.

Evacuation and Transmission line

Three / Four 400 KV transmission line circuits are proposed from 400KV switch yard for connectivity to the southern grid. IBPML and others have signed a long term open access agreement with Power Grid Corporation of India Limited under which IBPML will receive open access for up to 900.00 MW of electricity until March 2037. The construction of the transmission lines is expected to cost Rs.520.00 million.

Margin money and interest during construction

The margin money and interest during the construction is estimated to be Rs. 4,490.00 million.

Pre-operative, preliminary expenses and financing expenses

IBPML has incurred as of April 30, 2010 an aggregate amount of Rs.10.71 million towards pre-operative, preliminary expenses and financing expenses.

Contingency

Contingencies are estimated at the rate of 2.9% of the total cost of works aggregating to Rs. 1,050.00 million. The contingency provision is expected to cover any increase in project cost, including increase in township cost and establishment cost due to increase in cost of raw materials including cement, steel and iron.

For further details in relation to the Madras Project refer to section titled “Our Business” on page 139.

(b) Proposed Schedule of implementation

The proposed schedule of implementation of various establishment and development activities for Madras Project is set forth below:

Milestone / Activity*	Scheduled/estimated date of completion*	Actual date of completion/status*	Reasons for delays if any*
Land and site development	November 2010	Pending	NA
Technical and engineering work	June 2012	Pending	NA
Transmission line	August 2012	Pending	NA
Civil work	December 2012	Pending	NA
Installation of equipment	September 2013	Pending	NA
Trial run	October 2013	Pending	NA
Date of commercial operations	December 2013	Pending	NA

*As per the certificate of the management of IBPML dated May 15, 2010

(c) Funds deployed

The details of the funds deployed towards the Madras Project as of April 30, 2010 is provided below:

Item	Amount incurred as of April 30, 2010 *	Sources of funds*
Land Advances	165.00	Equity Contribution and Unsecured loans from our Company, other Subsidiaries and others
Other Advances	8.36	Equity Contribution and Unsecured loans from our Company, other Subsidiaries and others
Preliminary, Pre-Operative expenses and finance charges	10.71	Equity Contribution and Unsecured loans from our Company, other Subsidiaries and others
Cash & Bank balances pending deployment	0.87	Equity Contribution and Unsecured loans from our Company, other Subsidiaries and others
Total	184.94	

* As per the certificate of Manohar & Venkata Chartered Accountants dated May 29, 2010.

D) General corporate purposes

Our Company proposes to utilise part of the Net Proceeds aggregating Rs. • million towards general corporate purposes, including but not limited to, meeting working capital requirements, meeting requirements such as funding bidding expenses, initial development expenses for projects other than the Identified Projects, funding cost overruns, various inorganic opportunities and any form of exigencies faced by our Company, repayment of loans other than those identified as part of these objects.

Issue expenses

The estimated issue related expenses are as follows:

Activities	Amount in Rs. million	Percentage of total issue expenses	Percentage of Issue Size
Lead management fee*	•	•	•
Underwriting commission, brokerage and selling commission*	•	•	•
Registrar's fees*	•	•	•
Advertisement and marketing expenses*	•	•	•
Printing and distributions expenses*	•	•	•
IPO Grading expenses*	•	•	•
Advisors*	•	•	•
Bankers to the Issue*	•	•	•
Others (including Monitoring Agent fees, SEBI filing fees, bidding software expenses, depository charges, listing fee etc):*	•	•	•
Total	•	•	•

*Will be incorporated after finalisation of Issue Price.

Bridge Financing Facilities

We have not raised any bridge loan against the Net Proceeds.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board, will have flexibility in deploying the Net Proceeds. The particular composition, timing and schedule of deployment of the Net Proceeds will be determined by our Company based upon the implementation of the Identified Projects. Pending utilisation for the purposes described above, our Company intends to temporarily invest the funds from Net Proceeds in interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures.

Monitoring of utilisation of funds

Our Company has appointed UCO Bank as the monitoring agency in relation to the Issue. The Board and UCO Bank will monitor the utilisation of the proceeds of the Issue. Our Company will disclose the utilisation of the proceeds of the Issue under a separate head along with details, for all such proceeds of the Issue that have not been utilised. Our Company will indicate investments, if any, of unutilised proceeds of the Issue in the balance sheet of our Company for the relevant financial years subsequent to listing.

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

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

No part of the Issue Proceeds will be paid by our Company as consideration to its Promoter, Directors, Promoter Group companies or key managerial employees, except in the normal course of its business.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company and the Selling Shareholders in consultation with the Managers on the basis of the assessment of market demand for the Equity Shares through the book building process. The face value of the Equity Shares of our Company is Rs. 10.00 each and the Issue Price is • times of the face value at the lower end of the Price Band and • times the face value at the higher end of the Price Band.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the power generation sector

- (a) Established track record in the power sector
- (b) Sale of substantial power generated on merchant basis
- (c) Strong project management capabilities
- (d) Effective management of operational costs
- (e) Visibility of projects expected to be completed within the next three fiscal years
- (f) Locational strengths
- (g) Experienced management team

For details, please see the sections titled, “Our Business” beginning on page 139.

Quantitative Factors

The information presented below is based on the Restated Unconsolidated Summary Statements for the fiscals 2007, 2008 and 2009 and for the nine months ended December 31, 2009 for our Company and the Restated Consolidated Summary Statements for the fiscals 2007, 2008 and 2009 and for the nine months ended December 31, 2009 for the Company prepared in accordance with Indian GAAP. For details, see “Auditor’s Report – Restated Unconsolidated Summary Statements” and “Auditor’s Report – Restated Consolidated Summary Statements” on pages 318 and 270 respectively.

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

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

As per our Restated Unconsolidated Summary Statements:

Year Ended	Basic EPS (in Rs.)	Diluted EPS (in Rs.)	Weight
March 31, 2007	(0.35)	(0.35)	1
March 31, 2008	0.06	0.06	2
March 31, 2009	0.32	0.27	3
Weighted Average	0.12	0.09	

The Basic EPS and the Diluted EPS for the nine months period (not annualised) ending December 31, 2009 are Rs. (2.29) and Rs. (2.29) respectively.

As per our Restated Consolidated Summary Statements:

Year Ended	Basic EPS (in Rs.)	Diluted EPS (in Rs.)	Weight
March 31, 2007	5.99	5.99	1
March 31, 2008	7.15	6.87	2
March 31, 2009	3.51	2.91	3
Weighted Average	5.14	4.74	

The Basic EPS and the Diluted EPS for the nine months period (not annualised) ending December 31, 2009 are Rs. 5.85 and Rs. 4.91 respectively.

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

Particulars	P/E at the lower end of Price band (no. of times)	P/E at the higher end of Price band (no. of times)
Based on Basic EPS as per the Restated Unconsolidated Financial Statements of 0.32 for FY 2009	[●]	[●]
Based on Basic EPS as per the Restated Consolidated Financial Statements of 3.51 for FY 2009	[●]	[●]

P/E ratio for the Industry is as follows:

Industry P/E	
Highest	282.5
Lowest	1.8
Industry Composite	21.3

Source: "Capital Market" magazine Vol. no. XXV/06 dated May 17-May 30, 2010 (Industry – Power Generation and Supply)

(c) Return on Net Worth (RONW)

As per Restated Unconsolidated Financial Statements:

Particulars	RONW %	Weight
Year ended March 31, 2007	(1.0)	1
Year ended March 31, 2008	0.2	2
Year ended March 31, 2009	0.9	3
Weighted Average	0.3	
Nine Months period ending December 31, 2009 (not annualised)	(4.4)	

As per Restated Consolidated Financial Statements:

Particulars	RONW %	Weight
Year ended March 31, 2007	12.6	1
Year ended March 31, 2008	13.5	2
Year ended March 31, 2009	6.3	3
Weighted Average	9.8	
Nine Months period ending December 31, 2009 (not annualised)	7.4	

(d) Minimum RONW after the Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2009:

a) Based on Restated Unconsolidated Financial Statements:

1. At the Floor Price - [●]%
2. At the Cap Price - [●]%

b) Based on Restated Consolidated Financial Statements:

1. At the Floor Price - [●]%
2. At the Cap Price - [●]%

(e) Net Asset Value per Equity Share of face value of Rs.10.00 each

- (i) Net Asset Value per Equity Share as on March 31, 2009 as per Restated Unconsolidated Financial Statements is Rs. 37.70
- (ii) Net Asset Value per Equity Share as on March 31, 2009 as per Restated Consolidated Financial Statements is Rs. 55.49
- (iii) After the Issue as per Restated Unconsolidated Financial Statements: [●]

- (iv) After the Issue as per Restated Consolidated Financial Statements: [●]
- (v) Issue Price: Rs. [●]

Issue Price per Equity Share will be determined on conclusion of book building process.

(f) Comparison with Industry Peers*

Sr. No.	Name of the company	Face Value (Rs. Share)	Value per Share	EPS (Rs.)	P/E Ratio	RoNW (%)	NAV (Rs.)
1	Tata Power Limited	10.00		27.80	38.1	8.2	369.50
2	JSW Energy Limited	10.00		5.20	23.9	35.7	32.70
3	Torrent Power Limited	10.00		17.70	18.7	13.3	83.80
4	KSK Energy Ventures Limited	10.00		1.80	143.1	5.2	66.10
5	NTPC Limited	10.00		9.40	19.1	14.4	72.70
6	Ind Barath Power Infra Limited#	10.00		3.51	[●]	6.3	55.49

*Source: "Capital Market" magazine Vol. no. XXV/06 dated May 17-May 30, 2010 (Industry – Power Generation and Supply)

Based on the Restated Consolidated Financial Statements for the year ended March 31, 2009

The Issue Price of Rs. ● has been determined by our Company and the Selling Shareholders in consultation with the Managers on the basis of the demand from investors for the Equity Shares through the Book Building Process. The Managers believe that the Issue Price of Rs. ● is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with the sections titled "Risk Factors", "Our Business" and "Financial Statements" beginning on pages 13, 139 and 270 respectively, to have a more informed view. 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

The Board of Directors
Ind-Barath Power Infra Limited
Plot No. 30A, Road No. 1,
Film Nagar, Jubilee Hills,
Hyderabad – 500 030,
Andhra Pradesh, India.

Re: Statement of possible tax benefits available to Ind-Barath Power Infra Limited and its Shareholders

We hereby certify that the enclosed annexure, prepared by the Company, details the possible tax benefits/consequences available to Ind-Barath Power Infra Limited ('the Company') and its Shareholders under the applicable provisions of the Income Tax Act, 1961 and other direct and indirect tax laws presently in force in India. Several of these tax benefits/consequences are dependent on the Company or the Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or the Shareholders to derive tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil. No assurance is given that the revenue authorities will concur with the views expressed herein.

The benefits disclosed in the enclosed annexure are not exhaustive in nature. The enclosed annexure is only intended to provide general information to the Company 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.

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; and
- the conditions prescribed for availing the benefits, where applicable have been/would be met with.

The contents of the enclosed annexure are based on information, explanations and representations obtained from the management of the Company which are based on their understanding of the business activities and operations of the Company and our views are based on an interpretation of the current tax laws in force in India which are subject to change from time to time. We do not have any obligation or assume any responsibility to update the views consequent to these changes.

The enclosed annexure is intended solely for your information and for inclusion in the Draft Red Herring Prospectus in connection with the proposed issue and is not to be used, referred to or distributed for any other purpose without our prior written consent.

for B S R & Co.
Chartered Accountants

Zubin Shekary
Partner
Membership No: 48814
Firm Registration No: 101248W

Place : Hyderabad
Date : 15 June 2010

ANNEXURE TO STATEMENT OF TAX BENEFITS

A (i). Special tax benefits available to the Company under the Income Tax Act, 1961

There are no company specific special tax benefits available to the Company. Tax benefits mentioned below in A (ii) are general tax benefits available to all the companies subject to fulfilment of specified conditions.

A (ii) Benefits available to the Company under the Income Tax Act, 1961:

1. Under section 10(34) of the Act, any income by way of dividends referred to in section 115-O received by the Company is exempt from income-tax.

However, in view of the provisions of section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, section 94(7) of the Act provides that losses arising from the sale/ transfer of shares or units purchased within a period of three months prior to the record date and sold/ transferred within three months (in case of shares) or nine months (in case of units) respectively after such date, will be ignored to the extent dividend income on such shares or units is claimed as tax exempt.

2. By virtue of section 10(35) of the Act, the following income shall 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.

Provided that 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 clause (a) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002.
 - ii. "Specified Company" means a company as referred to in clause (h) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002;
3. As per the provisions of section 10 (38) of the Act, the long term capital gains (gain arising on transfer of long term capital asset) arising from the transfer of shares or a unit of a equity oriented fund, where the transaction of sale of such share or unit is entered into in a recognized stock exchange in India on or after October 1, 2004 and chargeable to Securities Transaction Tax, will be exempt from tax.

Provided that the income by way of long-term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB from the assessment year 2007-08.

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 per cent of the total proceeds of such fund; and
- (ii) which has been set up under a scheme of Mutual Fund specified under clause (23D) of section 10.

Provided that percentage of equity share holding shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

As per the provisions of section 2(29A) and section 2(42A) , shares and units would be considered as long term if they are held for more than 12 months.

4. Under section 48 of the Act, if the investments in shares are sold after being held for not less than twelve months, the gains, if any, will be treated as long-term capital gains and the gains will be calculated by deducting from the gross consideration, the indexed cost of acquisition and indexed cost of improvement. The indexed cost of acquisition / improvement adjusts the cost of acquisition / improvement by the cost of inflation index, as prescribed from time to time.
5. Under section 54EC of the Act, subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered Section 10(38) of the Act) arising on transfer of long term capital assets are exempt from tax if the gains are invested within six months from the date of transfer in certain long term specified assets being bonds issued on or after April 1, 2007 by and redeemable after three years by:
 - a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
 - b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain.

If the long-term specified asset is transferred or converted into money (other wise than by transfer, which includes taking loan/ advance on the security of the long term specified asset) at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head “Capital Gains” of the year in which the specified asset is transferred or converted into money.

However, the maximum amount of investment in the long-term specified asset, which is considered as eligible for claiming exemption by an assessee during any financial year does not exceed fifty lakh rupees.

6. As per the provisions of section 111A of the Act the short term capital gains arising from the transfer of equity shares or unit of an equity oriented fund, where the transaction of sale of such share/ unit is entered into in a recognized stock exchange in India on or after October 1, 2004 and chargeable to Securities Transaction Tax will be chargeable to tax @ 15% (Plus applicable surcharge)

Where the gross total income includes short term capital gains referred to above, the deduction under Chapter VI-A shall be allowed from the gross total income as reduced by such short term capital gains.

For the purpose of this section, ‘equity oriented fund’ shall have meaning as assigned to it in explanation to section 10(38).

7. Under section 112 of the Act, and other relevant provisions of the Act, long term capital gains (In case not covered under section 10(38) of the Act), arising on transfer of shares/ units, shall be taxed at a rate of 20% (plus applicable surcharge). The tax shall however, not exceed 10% (plus applicable surcharge) without indexation, if the transfer is made of a listed security.

In case short term capital gain is earned which is not covered by section 111A of the Act, then the income is taxable at the normal corporate rate of 30% (plus applicable surcharge).

Where the gross total income includes long term capital gains referred to above, the deduction under Chapter VI-A shall be allowed from the gross total income as reduced by such capital gains.

8. According to section 115JB of the Act, MAT is applicable to a company if the tax payable by a company on its total income, as computed under the normal provision is less than 18% of its book profits. In computing book profits for MAT purposes, certain positive and negative adjustments must be made to the net profits of the Company. As per section 115 JAA (1A) of the Act, a company is eligible to claim credit for any taxes paid under section 115 JB of the Act against tax liabilities computed under the normal provisions incurred in subsequent years.

MAT credit eligible for carry forward to subsequent years is the difference between MAT paid and the tax computed as per normal provisions of the Act for a financial year. Such MAT credit is allowed to be carried forward for set off up to 10 years succeeding the year in which the MAT credit becomes available.

9. U/Sec. 80IA of the Act

In accordance with Section 80IA of the Act, the Company would be entitled to deduction of 100% of profits, for 10 consecutive assessment years out of 15 years, derived from any enterprise carrying on the business of generation or generation and distribution of power subject to fulfilment of certain conditions mentioned therein.

Whereas the Company has been engaged in the business of generation of power, the operating companies are eligible to claim deduction, under section 80-IA (4) (iv) of Income Tax Act 1961, of 100% of their profits and gains derived from such business for 10 consecutive assessment years out of 15 years commencing from the period of generation of power.

Further, projects under implementation which begins to commence generation of power on or before 31st March 2011, also are eligible for the deduction as above.

10. Education Cess of 2% and Secondary and higher education cess of 1% on Income tax payable including surcharge. The rate of tax would therefore increase accordingly.
11. As per section 74 of the Act, Short term capital loss suffered during the year is allowed to be set-off against short term as well as long term capital gain 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 only. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long term capital gains only.

B (i). Special tax benefits available to the shareholders of the Company under the Income Tax Act, 1961

There are no special tax benefits available to the shareholders of the Company. Tax benefits mentioned below in B (ii) are general tax benefits available to all the shareholders subject to fulfilment of specified conditions.

B (ii). Benefits available to the shareholders of the Company under the Income Tax Act, 1961:

Benefits to Resident Shareholders

12. Under section 10(34) of the Act, any income by way of dividends referred to in section 115-O received from a domestic company is exempt from income tax.

However, in view of the provisions of section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, section 94(7) of the Act provides that losses arising from the sale/ transfer of shares purchases within a period of three months prior to the record date and sold/ transferred within three months after such date, will be ignored to the extent dividend income on such shares is claimed as tax exempt.

13. As per the provisions of section 10 (38) of the Act any long term capital gains arising from the transfer of shares, where the transaction of sale of such shares is entered into in a recognized stock exchange in India on or after October 1, 2004 and chargeable to Securities Transaction Tax, will be exempt from tax.

Provided that the income by way of long-term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB from the assessment year 2007-08.

As per the provisions of section 2(29A) and section 2(42A), shares would be considered as long term if they are held for more than 12 months.

14. Under section 48 of the Act, if the investments in shares are sold after being held for not less than twelve months, the gains, if any, will be treated as long-term capital gains and the gains will be calculated by deducting from the gross consideration, the indexed cost of acquisition and indexed cost of improvement. The indexed cost of acquisition / improvement adjusts the cost of acquisition / improvement by the cost of inflation index, as prescribed from time to time.
15. Under section 112 of the Act, and other relevant provisions of the Act, long term capital gains (in case not covered Section 10(38) of the Act), arising on transfer of shares in the Company, shall be taxed at a rate of 20% (plus applicable surcharge) after indexation as provided in the second proviso to section 48. The amount of such tax shall however, not exceed 10% (plus applicable surcharge) without indexation..

As per section 112(2) of the Act, where the gross total income includes long term capital gains referred to above, the deduction under Chapter VI-A shall be allowed from the gross total income as reduced by such capital gains.

16. Under section 54EC of the Act, subject to the conditions and to the extent specified therein, long-term capital gains (in case not covered under Section 10(38) of the Act) arising on transfer of the shares of the Company are exempt from tax if the gains are invested within six months from the date of transfer in certain long term specified assets being bonds issued on or after April 1, 2007 by and redeemable after three years by:
- National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
 - Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain.. If the long-term specified asset is transferred or converted into money (otherwise than by transfer which includes taking loan/ advance on the security of long term specified assets) at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head “Capital Gains” of the year in which the specified asset is transferred or converted into money.

However, the maximum amount of investment in the long-term specified asset, which is considered as eligible for claiming exemption by an assessee during any financial year does not exceed fifty lakh rupees.

17. Under section 54F of the Act, long term capital gains (in case not covered 10(38) of the Act) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family (HUF) are exempt from capital gains tax if the net consideration is utilized, within a period of one year before, or within 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-
 - i. Owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - ii. Purchases another residential house within a period of one year after the date of transfer of the shares; or
 - iii. Constructs another residential house other than the new 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 gains as bears to the whole of the capital gain the same proportion as the cost of the residential house bears to the net consideration shall be exempt.

If the 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, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

18. As per the provisions of section 111A of the Act, the short term capital gains arising from the transfer of equity shares, where the transaction of sale of such shares is entered into in a recognized stock exchange in India on or after 1st Day of October, 2004 and such transaction is chargeable to securities transaction tax will be chargeable to tax @ 15% (plus surcharge).

Where the gross total income includes short term capital gains referred to above, the deduction under Chapter VI-A shall be allowed from the gross total income as reduced by such capital gains.

19. Education Cess of 2% and Secondary and higher education cess of 1% on Income tax payable including surcharge. The rate of tax would therefore increase accordingly.

20. As per section 74 of the Act, short term capital loss suffered during the year is allowed to be set-off against short term as well as long term capital gain 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 only. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long term capital gains only.

B (ii). Special tax benefits available to the shareholders of the Company under the Income Tax Act, 1961

There are no individual specific special tax benefits available to the share holders of the Company. Tax benefits mentioned above in B(i) are available to all the individuals subject to fulfilment of specified conditions.

C. Benefits to Non-resident Indians / Non residents shareholders (Other than FIIs)

21. Under section 10(34) of the Act, any income by way of dividends referred to in section 115-O received from a domestic company is exempt from income tax.

However, in view of the provisions of section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, section 94(7) of the Act provides that losses arising from the sale/ transfer of shares purchases within a period of three months prior to the record date and sold/ transferred within three months after such date, will be ignored to the extent dividend income on such shares is claimed as tax exempt.

22. As per the provisions of section 10 (38) of the Act that the long term capital gains arising from the transfer of shares, where the transaction of sale of such shares is entered into in a recognized stock exchange in India on or after October 1, 2004 and chargeable to Securities Transaction Tax, will be exempt from tax.

Provided that the income by way of long-term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB from the assessment year 2007-08.

As per the provisions of section 2(29A) and section 2(42A) , shares would be considered as long term if they are held for more than 12 months.

23. Under the first proviso to section 48 of the Act, in case of a non-resident, in computing the capital gains arising from transfer of shares of the Indian Company acquired in convertible foreign exchange, cost indexation will not be available. The capital gains/loss in such a case will be computed by converting the cost of acquisition, consideration for transfer and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency.

24. Under Section 54EC of the Act, subject to the conditions and to the extent specified therein, long-term capital gains (in case not covered under section 10(38) of the Act) arising on transfer of long term capital asset are exempt from tax if the gains are invested within six months from the date of transfer in certain long term specified assets being bonds issued on or after April 1, 2007 by and redeemable after three years by:

- a. National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
- b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. If the long-term specified asset is transferred or converted into money (otherwise than by transfer which includes taking loan/ advance on the security of long term specified assets) at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred or converted into money.

However, the maximum amount of investment in the long-term specified asset, which is considered as eligible for claiming exemption by an assessee during any financial year does not exceed fifty lakh rupees.

25. Under section 54F of the Act, long term capital gains (in case not covered Section 10(38) of the Act) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family (HUF) are exempt from capital gains tax if the net consideration is utilized, within a period of one year before, or within 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-
- i. owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - ii. Purchases another residential house within a period of one year after the date of transfer of the shares; or
 - iii. 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 gains 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 shall be exempt.

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

25. As per the provisions of section 111A of the Act, the short term capital gains arising from the transfer of equity shares, where the transaction of sale of such shares is entered into in a recognized stock exchange in India on or after 1st day of October, 2004 and chargeable to Securities Transaction Tax will be chargeable to tax @ 15% (plus surcharge).

Where the gross total income includes short term capital gains referred to above, the deduction under Chapter VI-A and shall be allowed from the gross total income as reduced by such capital gains.

26. Under section 112 of the Act, and other relevant provisions of the Act, long term capital gains (i.e., if shares are held for a period exceeding 12 months) (In case not covered under section 10(38) of the Act), arising on transfer of shares in the Company, shall be taxed at a rate of 20% (plus applicable surcharge). The tax shall however, not exceed 10% (plus applicable surcharge) without indexation.

As per section 112(2) of the Act, where the gross total income includes long term capital gains referred to above, the deduction under Chapter VI-A shall be allowed from the gross total income as reduced by such capital gains.

27. Education Cess of 2% and Secondary and higher education cess of 1% on Income tax payable including surcharge. The rate of tax would therefore increase accordingly.

28. A non-resident Indian (i.e. an individual being a citizen of India or person of Indian origin who is not a resident) has an option to be governed by the provisions of Chapter XIIA of the Act, viz. "Special Provisions Relating to Certain Incomes of Non-Residents" which are as follows:
- a. According to the provisions of section 115D read with section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of shares in an Indian Company not exempt under section 10 (38), will be subject to tax at the rate of 10 percent (plus applicable education cess and secondary higher education cess) without indexation benefit.
 - b. Under section 115F of the Act, long term capital gains (in case not covered under section 10(38) of the Act) arising to a non-resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange is exempt from Income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only a part of the net consideration is so invested, the exemption shall be proportionately reduced.

If the specified asset is transferred or converted into money within a period of three years from the date of its acquisition, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital gains" of the year in which the specified asset is transferred or converted.
 - c. Under Section 115G of the Act, it shall not be necessary for a Non-resident Indian to furnish his return of income if his income chargeable under the act consists on only investment income or long term capital gains or both arising out of specified assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.
 - d. Under section 115H of the Act, where the Non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of the Chapter XIIA shall continue to apply to him in relation to such investment income derived from the specified assets mentioned in sub clauses (ii), (iii), (iv) and (v) of clause (f) of Sec 115C for that year and subsequent assessment years until such assets are converted into money.
 - e. Under section 115I of the Act, a Non-Resident Indian may elect not be governed by the provisions of Chapter XIIA for any assessment year by furnishing his return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.
29. Under section 90(2) of the Act, where the Central Government has entered into an agreement with the Government of any country outside India for granting relief of tax, or as the case may be, avoidance of double taxation, then, in relation to the assessee to whom such agreement applies, the provisions of the Act shall apply to the extent they are more beneficial to that assessee.

D. Benefits to Foreign Institutional Investors (FIIs)

30. Under section 10(34) of the Act, any income by way of dividends referred to in section 115-O received from a domestic company is exempt from income tax.

However, in view of the provisions of section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, section 94(7) of the Act provides that losses arising from the sale/ transfer of shares purchases within a period of three months prior to the record date and sold/ transferred within three months after such date, will be ignored to the extent dividend income on such shares is claimed as tax exempt.

31. As per the provisions of section 10 (38) of the Act that the long term capital gains arising from the transfer of shares, where the transaction of sale of such shares is entered into in a recognized stock exchange in India on or after October 1, 2004 and chargeable to Securities Transaction Tax, will be exempt from tax.

Provided that the income by way of long-term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB from the assessment year 2007-08.

As per the provisions of section 2(29A) and section 2(42A) , shares would be considered as long term if they are held for more than 12 months.

32. As per the provisions of Section 115AD of the Income Tax Act, income (other than income by way of dividends referred to in Section 115 O of the IT Act) of FIIs arising from securities (other than the units purchased in foreign currency referred to Section 115AB of the Income Tax Act) would be taxed at concessional rates , as follows:

Nature of Income	Rate of Tax (%)
Income in respect of securities	20
Long Term Capital Gains (other than the one covered u/s 10(38)	10
Short Term Capital Gains (other than short term capital gain referred to in Section 111A, in which case the rate is 15%)	30

The benefits of indexation and foreign currency fluctuation protection as provided under Section 48 of the Income Tax Act are not available.

33. As per the provisions of section 111A of the Act, the short term capital gains arising from the transfer of equity shares, where the transaction of sale of such shares is entered into in a recognized stock exchange in India on or after 1st day of October, 2004 and chargeable to Securities Transaction Tax will be chargeable to tax @ 15% (plus surcharge).

Where the gross total income includes short term capital gains referred to above, the deduction under Chapter VI-A and shall be allowed from the gross total income as reduced by such capital gains.

34. Under Section 54EC of the Act, subject to the conditions and to the extent specified therein, long-term capital gains (in case not covered section 10(38) of the Act) arising on transfer of a long term capital asset are exempt from tax if the gains are invested within six months from the date of transfer in certain long term specified assets being bonds issued on or after April 1, 2007 and redeemable after three years by:

- National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
- Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain.

If the long-term specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head “Capital Gains” of the year in which the specified asset is transferred or converted into money.

However, the investment made on or after the 1st day of April, 2007 in the long-term specified asset by an assessee during any financial year does not exceed fifty lakh rupees.

35. Education Cess of 2% and Secondary and higher education cess of 1% on Income tax payable including surcharge. The rate of tax would therefore increase accordingly.
36. Under section 90(2) of the Act, where the Central Government has entered into an agreement with the Government of any country outside India for granting relief of tax, or as the case may be, avoidance of double taxation, then, in relation to the assessee to whom such agreement applies, the provisions of this act shall apply to the extent they are more beneficial to that assessee.

E. Benefits to Mutual Funds

37. Under section 10(34) of the Act, any income by way of dividends referred to in section 115-O received from a domestic company is exempt from income tax.

However, in view of the provisions of section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, section 94(7) of the Act provides that losses arising from the sale/ transfer of shares purchases within a period of three months prior to the record date and sold/ transferred within three months after such date, will be ignored to the extent dividend income on such shares is claimed as tax exempt

38. Under section 10(23D) of the Act, any income of:
- a) A Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under;
 - b) Such other Mutual Fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India and subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf will be exempt from income-tax.

F. Benefits available to Venture Capital Companies / Funds:

39. Under section 10(34) of the Act, any income by way of dividends referred to in section 115-O received from a domestic company is exempt from income tax.

However, in view of the provisions of section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, section 94(7) of the Act provides that losses arising from the sale/ transfer of shares purchases within a period of three months prior to the record date and sold/ transferred within three months after such date, will be ignored to the extent dividend income on such shares is claimed as tax exempt

The taxation of the gains on the sale of shares is same as those applicable to non resident.

G. Benefits available to the shareholders of the Company under the Wealth Tax Act, 1957:

40. Shares of the company held by the shareholders will not be treated as an asset within the meaning of section 2 (ea) of the Wealth Tax Act, 1957. Hence, shares are not liable to wealth tax.

H. Benefits available to the shareholders of the Company under the Gift Tax Act, 1958:

41. Gift made on or after 1st October, 1998 is not liable for any gift tax, and hence, gift of shares of the Company would not be liable for any gift tax. However, from 01 October 2009 the same will be taxed in the hands of the donee if it fulfils the conditions entailed in Clause (vii) of subsection (2) of section 56 of the Income Tax Act, 1961

Notes:

1. 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.
2. 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 list of all potential tax consequences.
3. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint holders.
4. 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 Agreements, if any, between India and the country in which the non-resident has fiscal domicile.
5. In view of the individual nature of tax consequences, each investor is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its participation in the scheme.
6. The tax benefits listed above are not exhaustive.

SECTION IV: ABOUT US

INDUSTRY OVERVIEW

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 size, and one of the fastest growing economies in the world. According to the CIA World Factbook, India’s estimated population was 1.17 billion people as of July 2009. India has the fourth largest economy in the world in terms of purchasing power, after the United States of America, China and Japan (*Source: CIA World Factbook*). The following table presents a comparison of India’s real GDP growth rate with the real GDP growth rate of certain other countries:

Countries	2007 %	(estimated)	2008 %	(estimated)	2009 %	(estimated)
Australia	4.8		2.2		1.0	
Brazil	6.1		5.1		-0.2	
China	13.0		9.0		8.7	
India	9.0		7.4		6.5	
Japan	2.3		-1.2		-5.3	
Malaysia	6.2		4.6		-2.8	
Russia	8.1		5.6		-7.9	
Thailand	4.9		2.5		-2.8	
UK	2.6		0.5		-4.8	
USA	2.1		0.4		-2.4	

(Source: CIA World Factbook website)

Tracking global trends, economic growth in India decelerated sharply in the third quarter of the fiscal year 2009 following the failure of Lehman Brothers in mid-September 2008 and the knock-on effects of the global financial crisis on the Indian economy, as compared with higher growth rates in the previous three years. Since then, the economy has begun to show signs of recovery with overall growth at 6.0% for the third quarter of the fiscal year 2010.

Indian Real GDP Growth

The last Annual Policy Statement of the Reserve Bank of India released in April 2009 placed real GDP growth for the fiscal year 2009 in the range of 8.0% to 8.5% (*Source: Reserve Bank of India Annual Policy Statement for the Year 2009-10, April 21, 2009*). Since the second quarter of the fiscal year 2010, the Indian economy has staged a slow recovery. Year-on-year economic growth for the third quarter of the fiscal year 2010 was 6.0%. The year-on-year real GDP growth (at 2004-05 prices) for the last three quarters of the fiscal year 2010 and the corresponding quarters of the fiscal year 2009, are set out below:

Sector	Q1		Q2		Q3	
	April – June		July – September		October - December	
	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
Agricultural	3.2	2.4	2.4	0.9	-1.4	-2.8
Electricity, Gas and Water	3.3	6.2	4.3	7.4	4.0	4.9
Finance, Real Estate and Business Services	9.1	8.1	8.5	7.7	10.2	7.8
Overall	7.6	6.1	7.5	7.9	6.2	6.0

Table: Real GDP Growth (%)

Source: Central Statistical Office (“CSO”)

Industry Demand-Supply Overview

The Indian power sector has historically been characterised by energy shortages which have been increasing over the years. In the period from April 2009 to March 2010, peak energy deficit was estimated to be at 13.3%. The following table sets forth the peak and normative shortages of power in India from 2003 to March 2010:

Fiscal Year	Peak		Shortage	
	Requirement (MW)	Availability (MW)	(MW)	(%)
2003	81,492	71,547	9,945	12.2
2004	84,574	75,066	9,508	11.2
2005	87,906	77,652	10,254	11.7
2006	93,255	81,792	11,463	12.3
2007	100,715	86,818	13,897	13.8
2008	108,866	90,793	18,073	16.6
2009	109,809	96,685	13,124	12.0
April 2009 – March 2010	118,472	102,725	15,748	13.3

(Source: CEA, “Power Scenario at a Glance”, March 2010)

Regional Demand-Supply Scenario

The following table displays the peak and normative power shortages in India for the period from April 2009 – March 2010 across different regions in India:

Fiscal Year	Peak		Shortage		Normative		Shortage	
	Requirement (MW)	Availability (MW)	(MW)	(%)	Requirement (MU)	Availability (MU)	(MU)	(%)
North	37,159	31,439	5,720	15.4	253,803	224,447	29,356	11.6
West	39,609	32,586	7,024	17.7	258,551	223,153	35,398	13.7
South	32,082	29,053	3,029	9.4	220,557	206,525	14,032	6.4
East	13,963	12,885	1,078	7.7	88,040	84,054	3,986	4.5
North-East	1,760	1,445	315	17.9	9,349	8,315	1,034	11.1

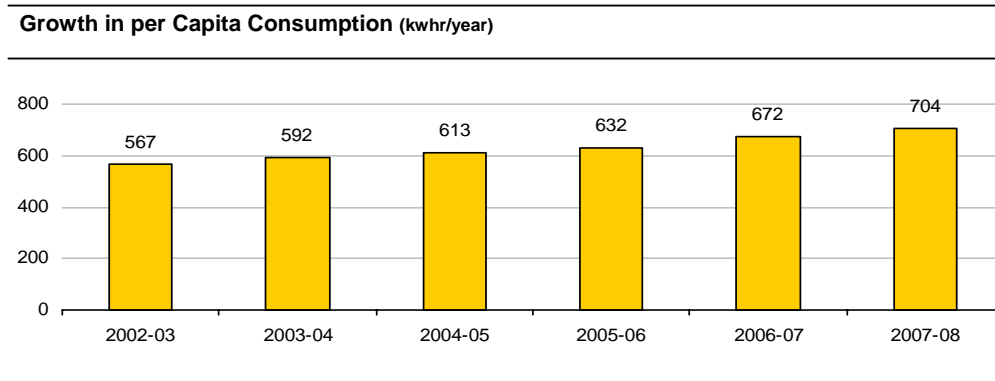
(Source: CEA, “Power Scenario at a Glance”, March 2010)

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

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

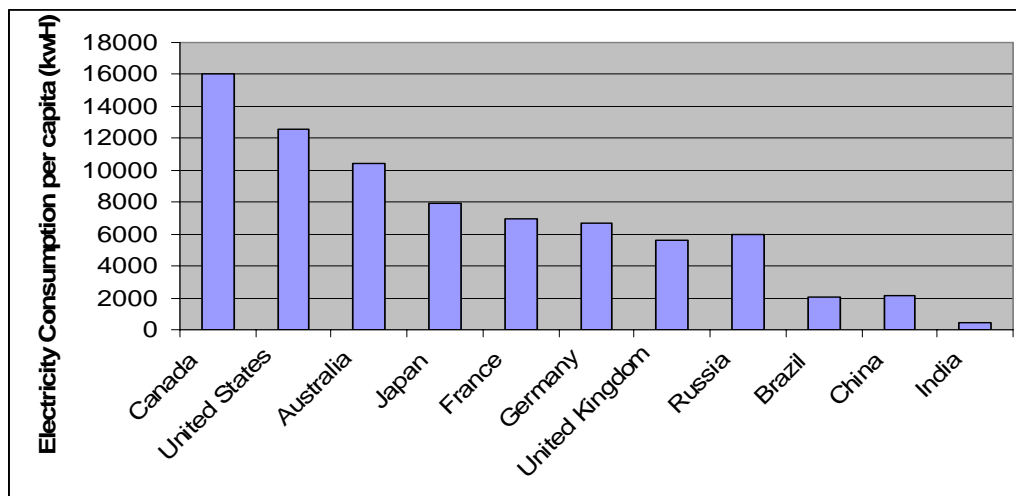
Large Energy Deficit Results in Low Per Capita Consumption of Electricity

The per capita consumption of power in India has increased from 566.7 kWh/year in the fiscal year 2003 to 704.2 kWh/year in the fiscal year 2008, 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.



(Source: CEA, Monthly Review of Power Sector, February 2010) available at http://www.cea.nic.in/power_sec_reports/executive_summary/2010_02/1-2.pdf)

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 2007 in various developed and developing countries. 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 the fiscal year 2012, as envisaged in its National Electricity Policy.

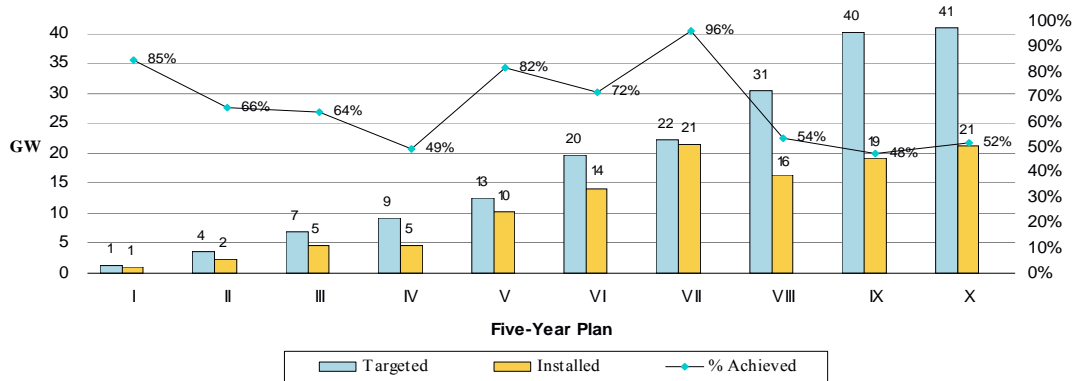


(Source: CIA Factbook website)

Historical Capacity Additions

The energy deficit in India is a consequence of slow progress in the development of additional energy capacity. The Indian economy is based on planning through successive five-year plans (“Five-Year Plans”) that set out targets for economic development in various sectors, including the power sector. 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 78,577 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, 2010 in terms of fuel source and ownership:

Sector	Hydro	Thermal				Nuclear	Renewable Energy Sources	Total
		Coal	Gas	Diesel	Total			
State	27,065.0	44,977.0	4,046.2	602.7	49,625.8	0.0	2,701.1	79,382.9
Private	1,233.0	8056.4	6,307.5	597.1	14,961.0	0.0	12,820.0	29,014.0
Central	8,565.4	31,165.0	6,702.2	0.0	37,867.2	4,560.0	0.0	50,992.6
Total	36,863.4	84,198.4	17,055.9	1,199.8	102,454.0	4,560.0	15,521.1	159,389.5

(in MW)
Source: CEA, "Power Scenario at a Glance", March 2010)

The Central and State governments together own and operate approximately 81.8% 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 February 28, 2010, thermal power plants account for 64.0% of India's installed capacity, within which 81.9% of the capacity is accounted for by coal-based plants, based on total available thermal capacity. (Source: CEA "Power Scenario at a Glance", February 2010)

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 the fiscal year 200 to 77.2% in the fiscal year 2009 as may be seen from the following table:

Average PLF for Coal-Fired Plants in India

Fiscal Year	Central	State	Private	Overall
2001	74.3	65.6	73.1	69.0
2002	74.3	65.6	73.1	69.0
2003	77.1	68.7	78.9	72.1
2004	78.7	68.4	80.5	72.7
2005	81.7	69.6	85.1	74.8
2006	82.1	67.1	85.4	73.6
2007	84.8	70.6	86.3	76.8
2008	86.7	71.9	90.8	78.6
2009	84.3	71.2	91.0	77.2

Source: MoP, 2008-2009 Annual Report

PLF varies significantly across ownership segments. Coal-fired generating plants owned by the state electricity boards (“SEBs”) operated at an average PLF of around 71.2% in the fiscal year 2009, while those owned by private companies operated at an average PLF of 91.0% and 91.1%. The average PLF of central public sector undertakings (“CPSUs”) was 84.3% during the same period.

Future Demand-Supply Scenario and Capacity Additions

According to the CEA Executive Summary, as of March 31, 2010, India had an installed generation capacity of 159,398.5 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 73-86 gigawatts (“GW”) by 2012, 159-190 GW by 2017 and 278–341 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 as of January 31, 2010:

	Assumed GDP Growth (%)	Electricity Generation Required (BU)	Peak Demand (GW)	Installed Capacity (GW)	Capacity Addition Required ⁽¹⁾ (GW)
By fiscal 2012	8.0	1,097	158	220	64
	9.0	1,167	168	233	77
By fiscal 2017	8.0	1,524	226	306	150
	9.0	1,687	250	337	181
By fiscal 2022	8.0	2,118	323	425	269
	9.0	2,438	372	488	332

Note:

(1) Based on the current existing installed capacity of 156 GW in India.

(Source: IEP Report, Expert Committee on Power)

The likely capacity addition 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	24840.0	3,380.0	20,928.0
State	3,482.0	23,301.0	0.0	26,783.0
Private	3,491.0	11,552	0.0	15,043.0
All-India Total	15,627.0	59,693.0	3,380.0	78,700.0

(Source: Power Scenario at a Glance, CEA, March 2010)

Power Scenario in Southern India

The power requirements of southern India are met through power generated by state utilities, Independent Power Producers (“IPPs”) and the state government’s share in the power generated by the central power stations. The total installed capacity in the southern region as on March 31, 2010 was 43,300.5 MW. Details of the installed capacity in southern India are given below:

Installed Capacity as on March 31, 2010 in Southern India:

Sector	Hydro	Thermal			Total	Nuclear	Wind	Total
		Coal	Gas	Diesel				
State	11,107.0	8,822.5	555.7	362.5	9,740.7	0.0	939.9	21,787.6
Private	0.0	1,110.0	3,477.5	576.8	5,164.3	0.0	6,999.0	12,163.3
Central	0.0	7,890.0	359.6	0.0	8,249.6	1,100.0	0.0	9,349.6
Total	11,107.0	17,822.5	4,392.8	939.3	23,154.6	1,100.0	7,938.9	43,300.5

(Source: CEA, “Power Scenario at a Glance”, February 2010)

Demand Supply Scenario in Southern India

Period	Peak Demand (MW)	Peak Met (MW)	Peak Deficit (MW)	Peak Deficit (%)	Energy Requirement (MU)	Energy Availability (MU)	Energy Deficit (MU)	Energy Deficit (%)
Ninth plan end	22,757	19,201	3,556	15.6	140,516	128,095	12,421	8.8
2002-03	22,419	20,428	1,991	8.6	140,625	130,530	10,095	7.2
2003-04	23,183	21,928	1,255	5.4	144,372	136,844	7,528	5.2
2004-05	23,075	22,364	711	3.1	147,672	145,395	2,277	1.5
2005-06	24,889	23,372	1,517	6.1	157,179	155,790	1,389	0.9
2006-07	26,176	24,350	1,826	7.0	180,091	175,197	4,894	2.7
2007-08	26,777	24,368	2,409	9.0	187,743	181,820	5,923	3.2
2008-09	28,340	26,244	2,096	7.4	204,086	188,865	15,221	7.5
April – March 2010	32,082	29,053	3,029	9.4	220,525	206,525	14,032	6.4
March 2010	32,082	29,053	3,029	9.4	21,945	19,879	2,066	9.4

(Source: CEA, “Power Scenario at a Glance”, March 2010)

State-wise Demand Supply Scenario in Southern India for April – March 2010

State/Union Territories	Peak Demand (MW)	Peak Deficit (MW)	Peak Deficit (%)	Energy Requirement (MU)	Energy Deficit (MU)	Energy Deficit (%)
Andhra Pradesh	12,135	10,880	10.3	79,014	5,230	6.6
Karnataka	7,927	7,084	10.6	45,607	3,509	7.7
Kerala	3,199	2,982	6.8	17,606	423	2.4
Tamil Nadu	10,656	9,738	8.6	76,213	4,725	6.2
Puducherry	324	282	13.0	2,118	145	6.8

(Source: CEA, “Power Scenario at a Glance”, March 2010)

Power Scenario in Eastern India

The power requirements of eastern India are met by the power generated by state utilities, IPPs and the state government’s share in the power generated by the central power stations. The total installed capacity in eastern India as on March 31, 2010 was 21,319.5 MW. Details of the installed capacity in eastern India are given below:

Installed Capacity as on March 31, 2010 in Eastern India:

Sector	Hydro	Thermal			Total	Nuclear	Wind	Total
		Coal	Gas	Diesel				
State	3,168.9	6,920.0	100.00	17.1	7,037.1	0.0	314.6	10,520.5
Private	0.0	1,701.4	0.00	0.1	1,701.5	0.0	20.2	1,721.7
Central	713.2	8,274.0	90.00	0.0	8,364.0	0.0	0.0	9,077.2
Total	3,882.1	16,895.4	190.00	17.2	17,102.6	0.0	334.8	21,319.5

(Source: CEA, “Power Scenario at a Glance”, March 2010)

Demand Supply Scenario in Eastern India:

Period	Peak Demand (MW)	Peak Met (MW)	Peak Deficit (MW)	Peak Deficit (%)	Energy Requirement (MU)	Energy Availability (MU)	Energy Deficit (MU)	Energy Deficit (%)
Ninth plan end	7,940	7,648	292	3.7	50,687	50,197	490	1.0
2002-03	8,076	7,676	400	5.0	51,653	50,260	1,393	2.7
2003-04	8,594	7,710	884	10.3	54,977	52,287	2,690	4.9
2004-05	8,816	8,533	283	3.2	57,036	55,678	1,358	2.4
2005-06	10,161	9,677	484	4.8	62,347	60,706	1,641	2.6
2006-07	10,491	10,058	433	4.1	68,198	66,183	2,015	3.0
2007-08	12,031	10,699	1,332	11.1	75,833	72,099	3,734	4.9
2008-09	12,901	11,689	1,212	9.4	82,127	78,370	3,757	4.6
April – March 2010	13,963	12,885	1,078	7.7	88,040	84,054	3,986	4.5
March 2010	13,963	12,885	1,078	7.7	8,254	7,666	588	7.1

(Source: CEA, "Power Scenario at a Glance", March 2010)

State-wise Demand Supply Scenario in Eastern India for April - March 2010:

State/Union Territories	Peak Demand (MW)	Peak Deficit (MW)	Peak Deficit (%)	Energy Requirement (MU)	Energy Deficit (MU)	Energy Deficit (%)
Bihar	2,249	740	32.9	11,763	1,824	15.5
DVC	2,191	283	12.9	15,063	542	3.6
Jharkhand	1,088	141	13.0	5,866	457	7.8
Orissa	3,491	249	7.1	21,112	186	0.9
Sikkim	96	2	2.1	383	43	11.2
West Bengal	5,850	10	.02	33,853	934	2.8

(Source: CEA, "Power Scenario at a Glance", March 2010)

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. These restrictions have now been removed and private participation is now allowed in coal mining. The total coal production for the fiscal year 2009 was 493.0 million tonnes. The total geological coal reserves of India have been estimated at 267.2 billion tonnes as of April 1, 2009. *(Source: Ministry of Coal)* In 2004, the GOI set up a committee on coal sector reforms that led to several new initiatives being launched to encourage coal-based independent power plants in the country. These have increased the prospects of coal blocks being allotted to various private sector entities. Coal is already a key contributor to India's energy scenario with 55.0% of current total commercial energy need being met through coal. Given India's large coal reserves and favourable policy outlook, coal is expected to continue to be the dominant source of energy for India and play a major role in sustaining India's economic growth.

Biomass

Biomass, due to its environmentally friendly credentials, is another source of fuel that the GOI actively promotes. Biomass is a relatively new fuel source for power generation purposes but has long been used by rural households. Statistics indicate that biomass accounts for approximately one third of the fuel used in India and is used in approximately 90.0% of the rural households in India. The current availability of biomass in India is estimated to be approximately 120-150 million metric tonnes per annum, covering agricultural and forest residues, which would account for roughly 16,000 MW of generated power. There is potential for a further 5,000 MW of electricity to be generated through bagasse-based cogeneration in India's sugar mills. *(Source: Ministry of New and Renewable Energy)*

The advantage of using biomass as a fuel is the technological similarity of biomass-based power plants to coal-based thermal power plants, with the exception of the boiler. The cycle involves the burning of biomass in a high pressure boiler to generate steam and operating a turbine with the generated steam. The net power cycle efficiencies that can be achieved are approximately 23.0% - 25.0%. The exhaust of the steam turbine can be fully condensed to produce power. (Source: Ministry of New and Renewable Energy)

To encourage further implementation of biomass-based power plants, both the central and state governments provide fiscal incentives. The central government provides incentives for biomass-based projects such as accelerated depreciation, concessionary import and excise duties and a tax holiday for ten years. State governments have also determined preferential tariffs for biomass-based projects. (Source: Ministry of New and Renewable Energy)

The Ministry of New and Renewable Energy has been promoting biomass-based power generation and cogeneration since the mid-1990's. As of January 1, 2010, 203 biomass power and cogeneration projects aggregating 1,677 MW capacity have been installed in India. In addition, approximately 171 biomass power and cogeneration projects, aggregating 1,850 MW of electricity, are under various stages of implementation. The leading states in India for biomass-based power projects are Andhra Pradesh, Karnataka, Chhattisgarh, Maharashtra and Tamil Nadu. (Source: Ministry of New and Renewable Energy)

Natural Gas

Natural gas has also emerged as a popular choice of fuel for power generation in India. Ministry of Petroleum and Natural Gas ("MoPNG") statistics estimate that a total of 42,960 million cubic metres of gas was consumed by various industries in the fiscal year 2009. The power and fertiliser sectors accounted for approximately 50.0% of all natural gas consumption in India, with demand during the fiscal year 2009 of approximately 12,603 million cubic metres and 9,082 million cubic metres, respectively. The following table sets out the historical consumption trends for natural gas by various sectors:

Natural gas consumption by sector in India, fiscal year 2005-2009

Sector	Fiscal Year				
	2005	2006	2007	2008	2009*
	(million cubic metres)				
Power	12,099	11,878	11,963	12,037	12,603
Industrial Fuel	3,569	3,780	3,205	3,324	5,912
Tea Plantation	142	151	170	160	154
Domestic Fuel	343	75	443	39	102
Captive Use/LPG Shrinkage	4,944	5,048	5,034	5,618	5,706
Fertiliser Industry	8,173	7,762	8,497	9,822	9,082
Petrochemicals	1,236	1,175	1,377	1,432	1,105
Others**	269	1,156	679	1,896	8,296
Total	30,775	31,025	31,368	34,328	42,960

* Provisional

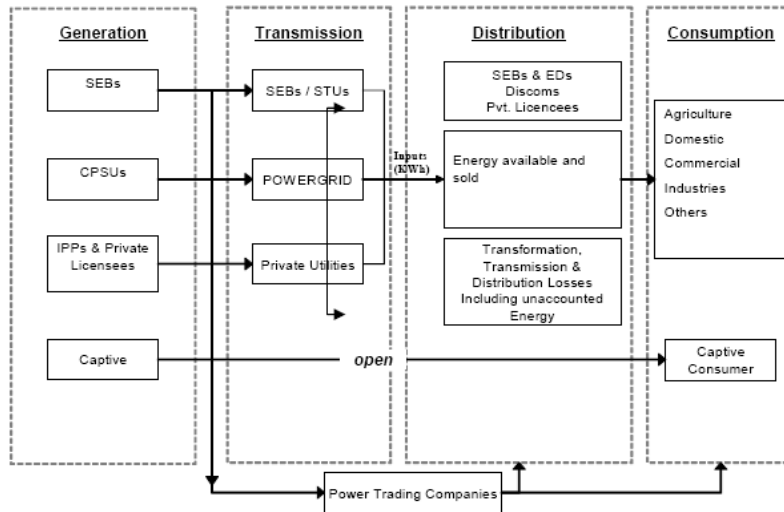
** Sales of city gas distribution companies such as IGL, MGL, Bhagyanagar Gas, TNGCL, BMC Green Gas, CUGL and GGCL. Includes industrial, domestic and CNG sales as well as sponge iron use.

(Source: MoPNG Statistics – 2009)

Natural gas consumption is set to increase steadily in the future. Estimates suggest an annual growth rate of 4.2% from 2006 to 2030. Growth in demand is likely to outstrip growth in supply during this period, as production is set to grow by 3.3% on an annual basis from 2006 to 2030. (International Energy Outlook, U.S. Energy Information Administration)

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 71,500 circuit kilometres of transmission lines, 120 extra high voltage alternation current and high voltage direct current substations, and a total transformation capacity of 79,500 mega volt ampere. Approximately 45.0% of the total generating capacity in India is transmitted through PGCIL’s system. (Source: <http://powergridindia.com>).

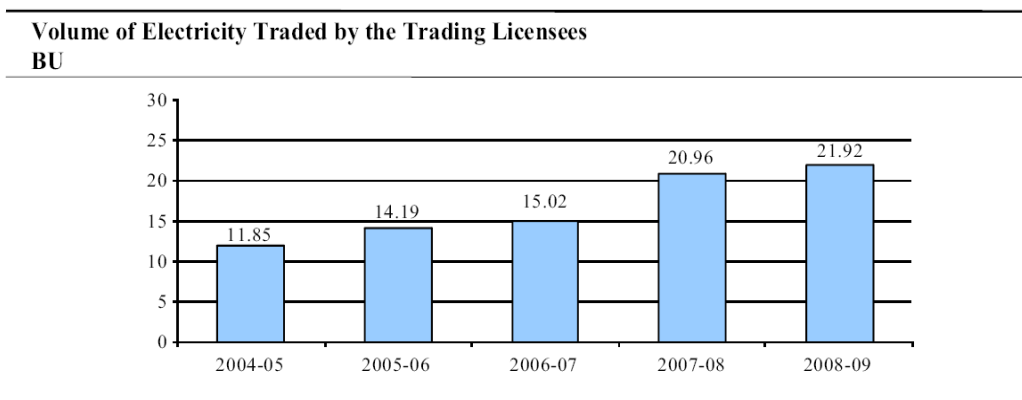
PGCIL is working towards the establishment of an integrated national power grid, in a phased manner, in order to strengthen the regional grids and to support the generation capacity addition program of approximately 80,000 MW during the Eleventh Five-Year Plan period. The existing inter-regional power transfer capacity of 17,000 MW is expected to be enhanced to 37,000 MW by 2012 through the creation of “Transmission Super Highways”. Based on expected generation capacity addition in the Eleventh Five-Year Plan, an investment of approximately Rs. 750.00 billion is envisaged in the central sector and approximately Rs. 650.00 billion is envisaged in the state sector. (Source: <http://powermin.nic.in>)

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>)

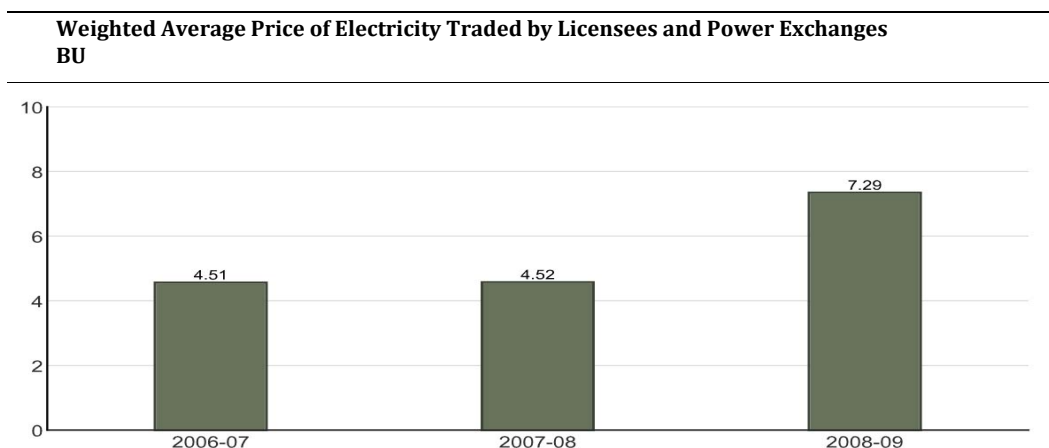
A direct consequence of the high AT&C losses is the poor financial condition of SEBs, which constrains the SEBs from making any meaningful investments in generation and in upgrading the transmission and distribution (“T&D”) network.

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:



*Note: The Price in 2008-09 represents the Weighted Average Price of electricity transacted through trading licensees and power exchanges and the price in the rest of the years represents the price of electricity transacted through licensees only.
(Source: Central Electricity Regulatory Commission (“CERC”))*

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 share of the short-term market in total electricity generation in the country increased to a level of 4.1% during the calendar year 2009. In the calendar years 2007 and 2008, the share of the short-term market as a percentage of total electricity generation in the country was 2.9% 3.3%, respectively. The weighted average price of electricity transacted through trading licensees has increased from Rs. 4.16 per kWh in the calendar year 2007 to Rs. 7.04 per kWh in the calendar year 2008, but came down to Rs. 6.41 per kWh in the calendar year 2009. The weighted average price of electricity transacted through the power exchanges that started their operations in 2008, was Rs. 7.57 per kWh and Rs. 5.73 per kWh during the calendar years 2008 and 2009, respectively. The UI price during the calendar years 2008 and 2009 was Rs. 6.89 per kWh and Rs. 4.99 per kWh, respectively.

The following table illustrates the volume of short-term transactions of electricity in India, measured in MUs.

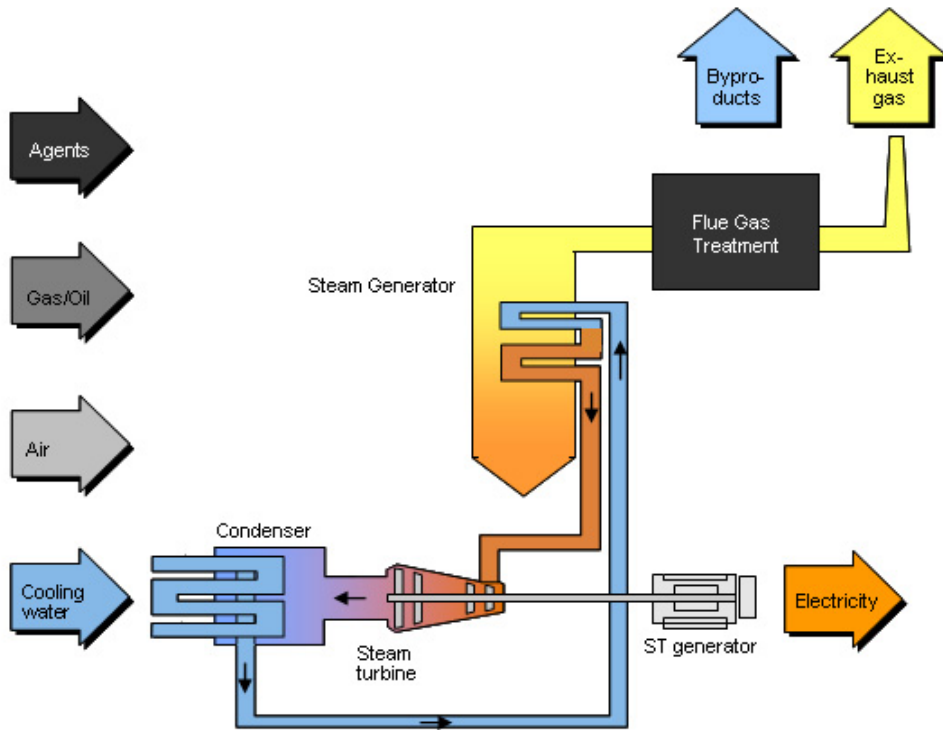
Period	Bilateral through Traders	Bilateral Direct	Total Bilateral transactions	Power Exchange transactions	UI transactions	Total term transactions	Short-term transactions	Total Electricity Generation
December 2009	2,178.6	685.5	2,864.0	640.1	2,430.8	5,935.0		63,417.3
Cumulative – January 2009 to December 2009	21,418.5	4,737.8	26,156.3	5,259.7	20,932.6	52,348.6		632,842.7

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 feedwater tank. The feedwater is further heated by bled steam from turbine and dissolved gases from the feedwater are liberated. The boiler feed pumps discharge feed water from the feedwater 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.

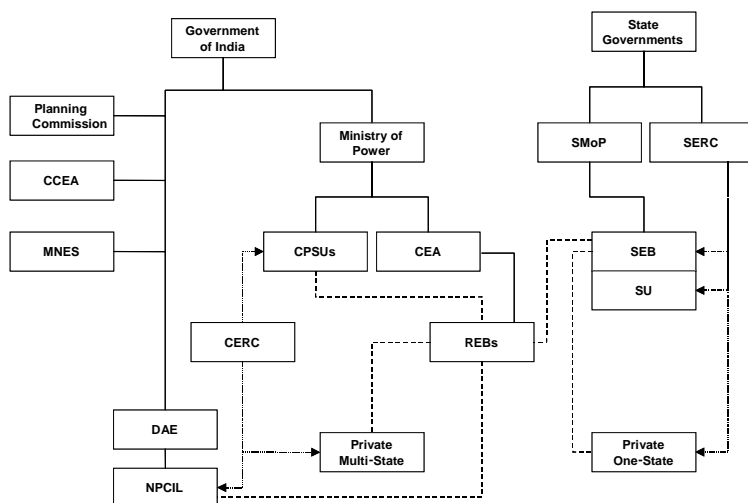
Regulatory Control

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
NPCIL	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 between nine and 14 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 nine to 14 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, four UMPPs have been awarded – the project in Mundra, Gujarat has been awarded to The Tata Power Company Limited and the projects in Sasan, Madhya Pradesh, Krishnapattam, Andhra Pradesh and Talaiya, Jharkhand have been awarded to Reliance Power Limited.

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.

Coal Industry in Indonesia

Indonesian coal is generally low in ash and sulphur, but possesses high moisture content. The majority of Indonesia's coal resources are located in Sumatra and Kalimantan, with higher quality coal mined in Kalimantan. According to the Indonesian Ministry of Energy and Mineral Resources, approximately 143.1 million tonnes of coal were produced in Indonesia in 2009. The following table sets forth the number of tonnes produced in Indonesia for the periods indicated:

Year	Production (millions of tonnes)
2004	129.2
2005	151.8
2006	179.5
2007	178.8
2008	188.7
2009	143.1

(Source: Directorate General of Mineral, Coal and Geothermal at the Ministry of Energy and Mineral Resources of Indonesia)

The coal export industry in Indonesia is based on contracts of works granted by the Indonesian government, a system first introduced to attract foreign investment. Major foreign investors in Indonesia initially included international mining companies such as Rio Tinto Plc, BHP Billiton Plc and British Petroleum Plc.

The six largest coal mining companies in Indonesia accounted for approximately 77.3% of total Indonesian coal production in 2009, according to the Indonesian Ministry of Energy and Mineral Resources. The following table sets forth details of the largest coal mining companies and their percentage shares of coal production in Indonesia in 2009:

	Production (millions of tonnes)	Share of Production (in percentages)
PT Kaltim Prima Coal	27.9	19.5
PT Adaro Indonesia	25.1	17.5
PT Kideco Jaya Agung	17.7	12.4
PT Arutmin Indonesia	13.1	9.1
PT Berau Coal	10.6	7.4
PT Indominco Mandiri	8.3	5.8
Others	40.4	28.3
Total	143.1	100.0

(Source: Directorate General of Mineral, Coal and Geothermal at the Ministry of Energy and Mineral Resources of Indonesia)

OUR BUSINESS

Overview

We are an established power generation company with eight operational power projects, which have a combined power generation capacity of 290.6 MW. We currently have five power projects under implementation, which will increase our combined power generation capacity by 1,728.0 MW. We are also planning to develop three thermal power projects at Jharsuguda, Orissa and Thoothukudi and Ramnathpuram, Tamil Nadu, with a combined power generation capacity of 1,337.5 MW. For the fiscal year 2009 and the nine months ended December 31, 2009, our consolidated total income was Rs. 2,506.24 million and Rs. 2,901.28 million, and consolidated net profit, as restated, was Rs. 253.68 million and Rs. 441.46 million, respectively.

We presently operate eight power projects in the states of Tamil Nadu, Andhra Pradesh, Maharashtra, Himachal Pradesh and Kerala.

Our Operational Power Projects

- *Coal-based power project* – Our 73.9% owned Subsidiary, Ind-Barath Power Gencom Limited (“IBPGL”), commissioned a 126.0 MW power project at Thoothukudi, Tamil Nadu, in February 2010.
- *Natural gas-based power project* – Our 81.0% owned Subsidiary, Arkay Energy Rameswaram Limited (“AERL”), commissioned a 95.3 MW power project at Ramnathpuram, Tamil Nadu in two phases in February 2006 and July 2006.
- *Biomass/coal-based power projects*
 - Our 79.2% owned Subsidiary, Ind-Barath Energies Maharashtra Limited (“IBEML”), commissioned a 20.0 MW power project at Nanded, Maharashtra in January 2009.
 - Our 72.3% owned Subsidiary, Ind-Barath Energies Thoothukudi Limited (“IBETL”), commissioned a 20.0 MW power project at Thoothukudi, Tamil Nadu in June 2006.
 - Our 99.7% owned Subsidiary, Raghu Rama Renewable Energy Limited (“RRREL”), commissioned an 18.0 MW power project at Ramnad, Tamil Nadu in October 2004.
 - Our 97.4% owned Subsidiary, Ind-Barath Energies Limited (“IBEL”), commissioned a 6.0 MW power project at Nalgonda, Andhra Pradesh in October 2000.
- *Hydroelectric power project* – Our 94.4% owned Subsidiary, Dharmshala Hydro Power Limited (“DHPL”), commissioned a 4.5 MW power project at Kangra, Himachal Pradesh in June 2004.
- *Wind-based power project* – Our Company commissioned a 0.75 MW power project at Idukki, Kerala in April 2008.

Our Power Projects Under Implementation

- *Coal-based power projects*
 - Our 73.9% owned Subsidiary, IBPGL is implementing an additional 63.0 MW unit at Thoothukudi, Tamil Nadu, which is expected to be commissioned by July 2010.
 - Our 79.4% owned Subsidiary, Ind-Barath Energy (Utkal) Limited (“IBEUL”), is implementing a 700.0 MW power project at Jharsuguda, Orissa. We expect that the first 350.0 MW unit of this power project will be commissioned by January 2012, and that the power project will be fully commissioned by March 2012.

- Our 99.96% owned Subsidiary, Ind-Barath Thermal Power Limited (“IBTPL”), is implementing a 300.0 MW power project at Thoothukudi, Tamil Nadu. We expect that the first 150.0 MW unit of this power project will be commissioned by March 2012, and that the power project will be fully commissioned by June 2012.
- Our 83.7% owned Subsidiary, Ind-Barath Power (Madras) Limited (“IBPML”), is implementing a 660.0 MW power project at Thoothukudi, Tamil Nadu. We expect the project to be commissioned by December 2013.
- *Hydroelectric power project*
 - DHPL is also in the process of implementing an additional 5.0 MW power project at Kangra, Himachal Pradesh, which is expected to be commissioned by June 2010.

Our Subsidiary, PT Indbharath Energy has the right to operate four mining entities located in Indonesia, which have the rights to, or are in the process of acquiring the rights to, coal resources of approximately 32.50 million metric tonnes. Resources are quantities of coal which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations. These mines are located in the Batulicin area of the South Kalimantan province.

In addition, power projects owned and operated by DHPL, IBEL, RRREL, IBEML and IBETL are registered under the United Nations Framework Convention on Climate Change (“UNFCCC”) and hence are eligible for generating and selling CERs under the Kyoto Protocol’s Clean Development Mechanism (“CDM”) project.

Our Competitive Strengths

We believe that we are well positioned to benefit from the growth opportunities in the Indian power sector because of the following competitive strengths:

Established Track Record in the Power Sector

We commissioned our first power project in the fiscal year 2001 and currently have operational generation capacity of 290.6 MW. We have successfully developed and presently operate eight power projects, of which five power projects have been operational for more than three years. We believe that our long and established track record of developing and operating power projects provides us with a competitive advantage in an industry where substantial growth is expected in India in the foreseeable future. Our track record is exemplified by our historical financial performance. Our consolidated income from the sale of electricity for the fiscal year 2009 and the nine months ended December 31, 2009 was Rs. 2,439.17 million and Rs. 2,713.29 million, respectively. Our consolidated net profit, as restated, for the fiscal year 2009 and the nine months ended December 31, 2009 was Rs. 253.68 million and Rs. 441.46 million, respectively.

Sale of Substantial Power Generated on Merchant Basis

The Expert Committee on Power estimates that 332 GW of additional power generation capacity will be required by the fiscal year 2022. (*Source: IEP Report, Expert Committee on Power*). We believe that due to the significant power deficit in India, the sale of power on merchant basis currently leads to better tariff realisations. 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. For the fiscal year 2009 and the nine months ended December 31, 2009, we sold a substantial proportion of our total power generated on merchant basis. We believe that due to a higher proportion of merchant sales, we are currently able to achieve relatively higher tariff realisations.

Strong Project Management Capabilities

We have significant project management experience having successfully commissioned eight power projects. We have developed an in-house project management and development team consisting of experienced professionals, which oversees key functions such as project planning, project financing, project execution and supplier and customer relationship management. We believe that our in-house project management capabilities leads to the effective management of costs and timelines associated with our projects. Our team also has prior exposure in implementing and operating power projects, and we believe that this is our key strength in view of the large size of the projects that we are implementing simultaneously.

Effective Management of Operational Costs

We manage our operational costs by utilising technologies which allow us to increase our efficiency. For example, the power project owned and operated by IBPGL and the power project under implementation by IBTPL utilise circulating fluidised bed combustion (“CFBC”) technology. CFBC technology allows us to burn a variety of fuel sources at relatively higher efficiencies while maintaining low sulphur and nitrogen oxide emissions. This makes CFBC technology a more cost effective and environmentally friendly alternative to traditional technology.

Visibility on Projects Expected to be Completed within the Next Three Fiscal Years

For all of our power projects under implementation, we have achieved financial closure and are in the process of acquiring the necessary land. The 5.0 MW hydroelectric power project at Kangra, Himachal Pradesh and the third unit of 63.0 MW of our coal-based power project at Thoothukudi, Tamil Nadu, are expected to be commissioned by June 2010 and July 2010, respectively. In addition, the 700.0 MW coal-based power project at Jharsuguda, Orissa and the 300.0 MW coal-based power project located at Thoothukudi, Tamil Nadu are expected to be fully commissioned by March 2012 and June 2012, respectively. Therefore, we anticipate progressively increasing our aggregate power generation capacity in the foreseeable future.

Locational Strength

The location of our power projects is a key strength because of their proximity to sources of fuel, customers or both. Our power projects’ proximity to sources of fuel allows us to save on significant transportation costs. For example, our power projects located at Thoothukudi are in close proximity to port facilities, which will allow for easier access to imported coal. Certain of our power projects’ are located in energy-deficient states. For example, as of March 31, 2010, approximately 89.5% of our current power generation capacity is located within the state of Tamil Nadu, which had an energy deficit of 9.4% for the fiscal year 2010, according to data prepared by the Central Electricity Authority.

Experienced Management Team

Our Promoter, K. Raghu Ramakrishna Raju, has over a decade’s experience in the power sector. We believe we are able to derive significant benefits from his leadership, experience and industry relationships. In addition, we have been successful in attracting and retaining experienced and qualified managerial and technical professionals. K. Sitaramam, Managing Director of IBTPL, has approximately 38 years of experience in the Indian banking sector. Jagannath Mohapatra, Director (Technical), former executive director of NTPC Limited, has over 30 years of experience in management positions at NTPC Limited. Pradeep Ghodke, President (Projects), has over 25 years of experience in the management of turn-key engineering projects in companies including the Tata Group, Thermax Limited and Walachandnagar Industries Limited. Madhusudhana Reddy, Director (Finance) of IBPGL, has approximately 18 years of experience in corporate finance and company secretarial functions and has been working for our Group since 1996. We believe that our management team has significant experience in financing, managing, implementing and operating power projects, and we believe this is one of our key competitive strengths in view of the large size of the projects that we are currently implementing. For further details, see “Our Management” on page 239.

Our Strategy

Continue to Focus on Coal-Based Power Projects

The power sector in India has historically been characterised by power shortages that have consistently increased over time. According to Central Electricity Authority data, the current power deficit has increased from 7.1% for the fiscal year 2004 to 11.0% and 13.3% for the fiscal year 2009 and the fiscal year 2010, respectively. We plan to benefit from such power deficits through our operational power projects and power projects under implementation and will continue to look at further opportunities to develop new power projects. We are in the process of implementing 1,728.0 MW of additional generation capacity and plan to implement a further 1,337.5 MW through our planned power projects.

India has vast thermal coal resources and the coal industry is in the process of deregulation, which is expected to increase the availability of coal for power generation among other uses. Notwithstanding various policy initiatives within India to diversify fuel mix, we believe that coal will continue to be the primary generator of energy in India because of favourable supply dynamics and competitive costs. Thus, we intend to continue to use coal as the primary fuel for our power projects under implementation and planned power projects.

Continue to Focus on Operational Efficiencies

With regard to our larger capacity projects, we intend to utilise super-critical technology. For example, our power project under implementation by IBPML, will deploy super-critical technology to reduce the amount of coal consumed to generate power. The efficiency of steam generation through super-critical technology is higher than that achieved through conventional sub-critical technology. Higher steam generation efficiency is expected to lead to lower coal consumption and hence increase the project's overall efficiency.

Ensure Fuel Security

We intend to continue to focus on fuel security by acquiring coal assets overseas or through captive coal allocations in India. Our Indonesian Subsidiary, PT Indbharath Energy, has the right to obtain coal from four mining entities in Indonesia, which have acquired the rights to, or are in the process of acquiring the rights to, estimated coal resources of 32.50 million metric tonnes. We will continue to explore further opportunities in Indonesia to increase our captive capacities. The power project currently under implementation by IBEUL has been awarded coal linkages for its entire fuel requirement, subject to the fulfilment of certain milestones. The power project currently under implementation by IBPML is expected to receive its domestic coal linkage as we have completed all necessary steps for the issuance of a letter of assurance. We have applied for obtaining coal linkages for our other coal-based power projects under implementation and planned power projects. We believe that domestic coal linkages will reduce fuel costs, reliance on imported coal and exposure to price volatility. We believe that a combination of domestic and imported coal will enable us to achieve long-term fuel availability, reduce reliance on third-parties and mitigate our exposure to price volatility.

Maintain a Mix of Power Sales Arrangements

The power we generate is sold either on merchant basis or pursuant to long-term power purchase agreements. By selling power both on merchant basis and through long-term agreements, we lock in varying proportions of our power for sale in the short, 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 those received under long term power purchase agreements. We intend to attain an appropriate mix of power sales, which will allow us to maximise our revenues yet reduce volatility in our results of operations.

Maintain our Locational Advantages

We intend to continue to explore opportunities to commission our plants near fuel or demand centres, which will allow us to achieve cost savings because of reduced infrastructure requirements and lower transmission or transportation costs. In relation to power projects commissioned in high demand areas, we will be able to sell a significant portion of our power on merchant basis to nearby demand centres, which we believe will reduce our transmission and wheeling charges costs. In relation to power projects commissioned near fuel centres, we believe will be able to reduce our fuel transportation costs. For example, the power project operated by IBPGL and the power projects under implementation by IBPGL, IBTPL and IBPML are located in close proximity to ports, which reduces the associated costs of imported coal.

Our Power Projects

Summaries of our operational power projects and power projects under implementation are given below:

Summary of our Operational Power Projects

Project Company	Location	Existing Installed Capacity	Type of Fuel	Nature of Off-take Arrangements	Date of Commencement of Operations	Our Equity Shareholding	Principal Amount of Term Loans Outstanding as of March 31, 2010 (Rs. in million)
Ind-Barath Power Gencom Limited	Thoothukudi, Tamil Nadu	126.0 MW	Coal	Power to be sold to PTC India on merchant basis	February 2010	73.9%	3,145.25
Arkay Energy (Rameswaram) Limited	Ramnathpuram, Tamil Nadu	95.3 MW	Natural Gas	Power sold to PTC India on merchant basis	February 2006	81.0%	1,014.69
Ind-Barath Energies Thoothukkudi Limited	Thoothukudi, Tamil Nadu	20.0 MW	Biomass/Coal	Power sold to PTC India on merchant basis	June 2006	72.3%	330.31
Ind-Barath Energies Maharashtra Limited	Nanded, Maharashtra	20.0 MW	Biomass/Coal	Power sold directly to MSEDCL pursuant to long term purchase agreement	January 2009	79.2%	442.13
Raghu Rama Renewable Energy Limited	Ramnathpuram, Tamil Nadu	18.0 MW	Biomass/Coal	Power sold to PTC India on merchant basis	October 2004	99.7%	42.29
Ind-Barath Energies Limited	Nalgonda, Andhra Pradesh	6.0 MW	Biomass/Coal	Power sold to third party customers	October 2000	97.4%	-
Dharmshala Hydro Power Limited	Kangra, Himachal Pradesh	4.5 MW	Hydro	Power sold directly to HPSEB pursuant to long term purchase agreement	June 2004	94.4%	74.70
Ind-Barath Power Infra Limited	Idukki, Kerala	0.75 MW	Wind	Power sold directly to KSEB pursuant to long term purchase agreement	April 2008	100.0%	24.00

Summary of our Power Projects Under Implementation

Project Company	Location	Proposed Installed Capacity	Type of Fuel	Nature of Off-take Arrangements	Scheduled Date of Commissioning of First Unit/Scheduled Date of Commissioning of Project	Our Equity Shareholding	Status of Financing as of March 31, 2010
Ind-Barath Energy (Utkal) Limited	Jharsuguda, Orissa	700.0 MW	Coal	Commitment to sell 12.0% and up to 14.0% of generated power to GRIDCO, representative of Government of Orissa. Balance to be sold to PTC India on merchant and long term basis.	January 2012/ March 2012	79.4%	Entire debt requirement signed obtained through secured loans from consortium of 14 banks
Ind-Barath Power (Madras) Limited	Thoothukudi, Tamil Nadu	660.0 MW	Coal	No off-take arrangement signed	December 2013	83.7%	Entire debt requirement satisfied through underwriting letter from one bank
Ind-Barath Thermal Power Limited	Thoothukudi, Tamil Nadu	300.0 MW	Coal	Power to be sold to PTC India	March 2012/ June 2012	99.96%	Received approval of lead bank regarding location change, awaiting approval of other lenders
Ind-Barath Power Gencom Limited	Thoothukudi, Tamil Nadu	63.0 MW	Coal	Power to be sold to PTC India on merchant basis	July 2010	73.9%	Entire debt requirement obtained through secured loans from three banks
Dharmshala Hydro Power Limited	Kangra, Himachal Pradesh	5.0 MW	Hydro	Power to be sold to HPSEB	June 2010	94.4%	Entire debt requirement obtained through secured loans

Our Operational Power Projects

Our operational power projects are projects where we are producing and selling power.

Ind-Barath Power Gencom Limited

Introduction

Our 73.9% owned Subsidiary, IBPGL, commissioned two coal-based generating units of 63.0 MW each at Thoothukudi, Tamil Nadu (“IBPGL Phase I”) in February 2010.

Our Company, IBPGL and PTC India Financial Services Limited (“PTC”) entered into a share subscription agreement dated August 23, 2008, pursuant to which PTC acquired a 26.0% equity interest in IBPGL, consisting of 55.63 million shares at Rs. 10 each, for an aggregate consideration of Rs. 556.30 million. Pursuant to the terms of the agreement, our Company has the right to buy back IBPGL shares held by PTC, within 30 days of August 22, 2011. PTC also has the put right to sell back its shareholding in IBPGL to us until August 22, 2011. Upon sale of the IBPGL shares to our Company, PTC will receive a guaranteed compound annual return of 23.75%, net of taxes and any dividends already paid to PTC. For further details, see “Our Subsidiaries” on page 225.

Financing

The IBPGL Power Project was funded through a combination of equity contributions from our Company and other investors including PTC, and secured and unsecured debt. As of March 31, 2010, the total equity investment made by our Company in IBPGL (for both IBPGL Phase I and IBPGL Phase II) is Rs. 1,581.95 million. We secured financing of Rs. 3,342.70 million for the implementation of the IBPGL Power Project, from a consortium of seven lenders, including IDFC, Indian Overseas Bank, State Bank of India, State Bank of Indore, State Bank of Travancore, Syndicate Bank and Axis Bank. As of March 31, 2010, Rs. 3,145.25 million and Rs. 653.19 million in principal amount of secured and unsecured loans, respectively, remains outstanding.

Power Generation

The main generating equipment of IBPGL Phase I consists of two steam turbine generator sets and two CFBC boilers manufactured by Hangzhou Steam Turbine Company Limited and a Chinese boiler manufacturer, respectively. Each turbine generator set is capable of producing up to 63.0 MW of power. The use of newer CFBC technology allows us to burn a wider range of fuel types. CFBC technology is considered to be more environmentally friendly compared to other conventional technologies and is also comparatively cheaper to maintain. IBPGL Phase I is also equipped with air-cooled condensers which result in efficient water usage.

Off-take Arrangements

Pursuant to an agreement dated June 1, 2009, as amended on October 27, 2009, IBPGL sold 104.49 million units of power to PTC India between February 1, 2010 and March 31, 2010. Pursuant to a letter from PTC India dated February 9, 2010, IBPGL is selling up to 90 MW of power a month for the three month period from March 1, 2010 to May 31, 2010 at a tariff ranging from Rs. 5.45 per kWh to Rs. 5.78 per kWh. Under the terms of the letter, when IBPGL fails to meet 90.0% of its scheduled energy supply for a given month, IBPGL must pay a penalty to PTC India for such a shortfall. Similarly, where PTC India does not utilise more than 90.0% of the scheduled energy supply for a given month, PTC India must pay a penalty to IBPGL. Under the June 1, 2009 agreement, IBPGL also provides a rebate of 2.0% to PTC India for full payments received from PTC India within 10 days of invoicing. IBPGL has submitted bids through PTC India in respect of the TNEB tender for new tariffs, beginning June 1, 2010, the results of which are currently awaited.

Fuel Supply

We estimate that upon full commissioning of all units, the fuel requirement for IBPGL Phase I and IBPGL Phase II will be 66,750 metric tonnes per month at 100.0% PLF and an assumed gross calorific value of 5,400 kilocalories per kilogram of fuel. For further details on IBPGL Phase II, see “- Our Power Projects Under Implementation - Ind-Barath Power Gencom Limited”.

Pursuant to an agreement dated September 25, 2008, as amended on October 26, 2009 and May 5, 2010, between IBPGL and our Subsidiary, PT Indbharath Energy, IBPGL agreed to purchase 750,000 metric tonnes, with a possibility of variance of up to 75,000 metric tonnes, of coal per annum, up to October 2013. The coal's gross calorific value must range between 5,400 – 5,500 kilocalories per kilogram. The agreement may be extended on the same terms by an additional five years upon mutual agreement of the parties or may be terminated at any time by either party upon provision of three months notice to the non-terminating party. The agreement envisages that the coal will be delivered in approximately twelve shipments through the year. Under the terms of the agreement, the base price of the coal is fixed at U.S.\$ 56.00 per metric tonne. The actual price paid is also subject to analysis of the calorific value of the coal. If the calorific value of the coal exceeds the contracted calorific value, IBPGL is required to pay a higher price based on the actual calorific value of the coal. However, the profit earned based on calorific value is capped at U.S.\$ 5.00 per metric tonne.

Additionally, we have applied for a domestic coal linkage for up to 30.0% of the fuel requirements of IBPGL Phase I. On January 29, 2010, in response to our application, the Standing Linkage Committee for Power facilitated the issuance of a letter of assurance by Coal India Limited for the provision of coal for this power project. We believe that coal from domestic linkages will reduce our reliance on imported coal.

PT Indbharath Energy is yet to achieve full clearance to commence mining operations. Consequently, IBPGL's coal needs are met through short-term contracts or purchases at spot prices.

Operations and Maintenance (“O&M”)

IBPGL appointed Operational Energy Group India Private Limited (“OEG”) as the O&M contractor for IBPGL Phase I, pursuant to an agreement dated June 26, 2007. The appointment of OEG is valid for a period of five years from the date of takeover of maintenance of the facility. Under the terms of the agreement, OEG will receive annual fees of Rs. 107.50 million for the first year and an annual increase of 5.0% for each subsequent year. These fees will cover the service fee and any parts/chemicals that the contractor requires while providing the O&M services. Under the terms of the agreement, OEG guarantees plant availability at 85.0%. For any 1.0% drop below the guarantee, IBPGL may deduct 5.0% of the monthly fees due to OEG and may terminate the contract, if the performance deficit is greater than 5.0% and OEG fails to cure the deficit within two months. IBPGL is also required to pay OEG a bonus of up to 2.0% of the monthly fees due, if the plant operates above the performance guarantee.

Power Evacuation

IBPGL delivers power generated from this project using a 230 KV transmission line to the TNEB Meelavittan sub-station. Presently, IBPGL is not paying any transmission or wheeling charges to the TNEB since it is supplying power to the TNEB.

Property

IBPGL Phase I and IBPGL Phase II are located on approximately 73.21 acres of land owned by IBPGL. The total cost of land acquisition was Rs. 20.07 million.

Water Supply

The amount of water required for both IBPGL Phase I and IBPGL Phase II is estimated to be approximately 600,000 litres of water per day. For meeting the water requirements of this project we have entered into a memorandum of understanding, dated May 19, 2009, with the Government of Tamil Nadu. This agreement gives IBPGL a licence to draw 755,000 litres of water per day. Even if IBPGL does not use its allotted water supply, it will remain liable to pay for the entire allotted quantity of water.

Insurance

IBPGL maintains industrial all risk policies for IBPGL Phase I.

Arkay Energy (Rameswaram) Limited

Introduction

Our 81.04% owned Subsidiary, AERL, commissioned a 95.3 MW natural gas-based power project (“AERL Power Project”) at Ramnathpuram, Tamil Nadu in two phases in February 2006 and July 2006. For further details, see “Our Subsidiaries” on page 225.

Financing

The AERL Power Project was funded through a combination of equity contributions from our Company and other investors preference share capital from our Company and secured debt. As of March 31, 2010, the total equity share capital investment made by our Company in AERL is Rs. 581.13 million. As of March 31, 2010 the preference share investment made by the Company in AERL is Rs. 361.85 million. AERL entered into four agreements to provide debt financing for the AERL Power Project:

- On March 22, 2005, AERL entered into a subscription agreement to issue up to Rs. 1,000.00 million in principal amount of non-convertible debentures to IDFC. Since April 2007, we have redeemed debentures for an aggregate principal amount of Rs. 430.73 million. As of March 31, 2010, debentures aggregating Rs. 569.27 million in principal amount remains outstanding.
- AERL has entered into financing agreements with Axis Bank, Union Bank of India and IDBI Bank for an aggregate amount of Rs. 1,033.50 million. As of March 31, 2010, Rs. 445.42 million in principal amount remains outstanding and the debt availed from Union Bank of India has been repaid in full.

Power Generation

The main generating equipment consists of ten diesel turbine generator sets manufactured by a European generator manufacturer, each with a capacity of 8.73 MW, and one steam turbine generator set manufactured by Hangzhou Steam Turbine Company Limited, China, with a capacity of 8.0 MW, for a total gross output of 95.3 MW. The plant was commissioned in two phases. AERL Phase I, consisting of eight units, was commissioned in February 2006 and AERL Phase II, consisting of two units, was commissioned in July 2006. The integration of the steam generator for operation in combined cycle mode for the project was achieved by November 2006. The operational data for the AERL Power Project is as follows:

	Six Months Ended March 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
Plant Load Factor (%)	48.77	53.57	53.87	59.32
Units Generated (million kWh)	203.65	447.44	449.93	495.40
Units Sold (million kWh)	172.44	392.74	441.49	467.02

Our plant load factor for the AERL Power Project have remained at relatively similar levels across fiscal periods because of the restricted availability of natural gas.

Off-take Arrangements

Pursuant to an agreement dated April 6, 2009, as amended on October 22, 2009, AERL sells 45.0 MW of power per month to PTC India at an average tariff of Rs. 5.90 per kWh. The agreement is valid until March 31, 2014, however the current tariff is valid until May 31, 2010, after which it is subject to renegotiation. AERL is permitted to produce and sell an additional 4.5 MW per month to PTC India at the same rate.

Pursuant to its agreement with PTC India, if AERL fails to meet 80.0% of its scheduled energy supply for a given month, AERL must pay a penalty to PTC India for such a shortfall. Similarly, where PTC India does not utilise more than 80.0% of the scheduled energy supply for a given month, PTC India must pay a penalty to AERL. AERL must also provide a performance guarantee equivalent to 10.0% of the expected monthly charges in favour of PTC India. AERL also provides a rebate of 2.0% to PTC India for full payments received from PTC India within 10 days of invoicing.

As of March 13, 2010, AERL has agreed to provide an additional 30.0 MW of power per month to PTC India at a tariff ranging from Rs. 5.45 per kWh to Rs. 5.78 per kWh, until May 31, 2010. In respect of the additional 30.0 MW of power supplied to PTC India, if AERL fails to meet 90.0% of its scheduled energy supply for a given month, AERL must pay a penalty to PTC India for such a shortfall. Similarly, where PTC India does not utilise more than 90.0% of the scheduled energy supply for a given month, PTC India must pay a penalty to AERL.

AERL has submitted bids through PTC India in respect of the TNEB tender for new tariffs, beginning June 1, 2010, the results of which are currently awaited.

All power produced in excess of the agreed to permitted quantities may be sold at rates determined by the TNEB. As of March 20, 2010, AERL has supplied 90,143,500 units of excess power to the TNEB, which have been billed to TNEB but remain unpaid for. PTC India has indicated that this amount will be settled upon expiry of the off-take agreement.

Prior to AERL's agreement with PTC India, AERL had sold power to captive consumers in the area. In respect of such arrangements and litigation related to such arrangements, we have created a provision of Rs. 391.48 million for our total incurred and expected litigation-related costs. For further details, see "Risk Factors -We are involved in litigation with former captive customers in respect of the 95.3 MW power project owned and operated by AERL" and "Outstanding Litigation and Material Developments" on pages 16 and 413, respectively.

Income from the sale of electricity generated by the AERL Power Project for the six months ended March 31, 2007, the fiscal year 2008, the fiscal year 2009 and the nine months ended December 31, 2009, was Rs. 574.18 million, Rs. 1,312.25 million, Rs. 1,974.88 million and Rs. 1,811.37 million, respectively.

Fuel Supply

Our fuel requirement for this plant is approximately 0.5 million standard metric cubic metres per day at 100.0% PLF and an assumed gross calorific value of 8,830 kilocalories per standard cubic metre of fuel. AERL has signed a tripartite agreement with GAIL (India) Limited (“GAIL”) and Arkay Energy Limited on December 28, 2005, for purchasing up to 0.292 MMSCMD of natural gas from GAIL, which is valid until December 31, 2010. Under the terms of the agreement, we must pay both transmission and fuel charges to GAIL. We are required to pay transmission charges irrespective of actual fuel supplied by GAIL. We are also required to pay a minimum of 80.0% of the monthly contracted amount even when our actual consumption is less than that amount. In case of undersupply by GAIL below 80.0% of the monthly contracted amount, we are not required to pay the 80.0% minimum fee. The gas provided under this agreement is being purchased at prices determined by Administered Price Mechanism (“APM”). The APM is a mechanism through which the Government of India sets a maximum selling price for natural gas. We also have access to an additional 0.078 MMSCMD of natural gas pursuant to a binding term sheet signed with GAIL on July 15, 2008. The gas provided under this term sheet is being purchased at non-APM prices.

Operations and Maintenance

AERL appointed Wartsila India Limited as the O&M contractor for its power project pursuant to an agreement dated March 14, 2005. The appointment of Wartsila India Limited is valid until March 13, 2015, unless otherwise extended for five years on terms mutually agreed between both parties. The agreement covers the first eight units commissioned at the AERL Power Project. The scope of work includes routine operation of the power project and all periodic maintenance works. Under the terms of the agreement, Wartsila India Limited will receive Rs. 21.45 million for the first year and an annual increase of 7.0% for each subsequent year during the tenure of the agreement.

On January 30, 2009, AERL appointed Wartsila India Limited as the O&M contractor for the additional two units. The appointment is valid until January 29, 2017, unless otherwise extended by five years on terms mutually agreed between both parties. Under the terms of the agreement, Wartsila India Limited will receive Rs. 4.91 million for the first year and an annual increase of at least 7.0% for each subsequent year during the tenure of the agreement.

Power Evacuation

AERL delivers power generated from this project using a 110 KV transmission line to the TNEB Mandapam sub-station. AERL is not required to pay any transmission or wheeling charges to the TNEB because it is supplying power to the TNEB. In the future, we may incur transmission or wheeling charges, if we elect to supply power to third parties.

Property

The AERL Power Project is located on approximately 12.58 acres of land owned by AERL. The total cost of land acquisition was Rs. 4.36 million.

Water Supply

The amount of water required for the AERL Power Project is estimated to be approximately 45 cubic metres a day. The water requirements for AERL Power Project are met pursuant to an agreement with South Ganga Waters Technologies Private Limited. The agreement gives AERL a ten year licence, effective from the date of commercial operation, to draw 44 cubic metres of water per day. The balance is purchased from private water suppliers in the area. For the fiscal year 2009 and the nine months ended December 31, 2009, AERL incurred Rs. 1.74 million and Rs. 1.47 million, respectively, in water supply costs in connection with the AERL Power Project.

Insurance

AERL maintains industrial all risk policies for the AERL Power Project.

Ind-Barath Energies Thoothukkudi Limited

Introduction

Our 72.3% owned Subsidiary, IBETL commissioned a 20.0 MW biomass-based power project (“IBETL Power Project”) at Thoothukkudi, Tamil Nadu in June 2006. For further details, see “Our Subsidiaries” on page 225.

Financing

The IBETL Power Project was funded through a combination of equity contributions from our Company and other investors, and secured and unsecured debt. As of March 31, 2010, the total equity investment made by our Company in IBETL is Rs. 156.59 million. We secured financing of Rs. 503.40 million for the implementation of the IBETL Power Project, from three lenders, including Indian Renewable Energy Development Agency Limited, Andhra Bank and UCO Bank. As of March 31, 2010, Rs. 330.31 million and Rs. 347.81 million in principal amount of secured and unsecured loans, respectively, remains outstanding.

Power Generation

The main generating equipment of the IBETL Power Project consists of one steam turbine generator set and one boiler manufactured by Hangzhou Steam Turbine Company Limited and Walchandnagar Industries Limited, respectively. The turbine generator set is capable of producing up to 20.0 MW of power. The operational data for the IBETL Power Project is as follows:

	Six Months Ended March 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
Plant Load Factor (%)	57.60	49.76	26.06	54.17
Units Generated (million kWh)	50.46	87.18	45.66	94.91
Units Sold (million kWh)	43.28	74.65	39.47	80.59

The relatively low plant load factor for fiscal year 2009 was on account of biomass fuel prices, which were unviable under our off-take arrangements at the time.

Off-take Arrangements

Pursuant to an agreement dated April 9, 2009, as amended on October 22, 2009, IBETL sells 15.0 MW of power per month to PTC India at an average tariff rate of Rs. 5.90 per kWh. The agreement is valid until March 31, 2014, however the tariff is valid until May 31, 2010, after which it is subject to renegotiation. In case IBETL fails to meet 80.0% of its scheduled energy supply for a given month, IBETL must pay a penalty to PTC India for such a shortfall. Similarly, where PTC India does not utilise more than 80.0% of the scheduled energy supply for a given month, PTC India must pay a penalty to IBETL. IBETL must also provide a performance guarantee equivalent to 10.0% of the expected monthly charges in favour of PTC India and the current performance guarantee is valid until June 2010. IBETL also provides a rebate of 2.0% to PTC India for full payments received from PTC India within 10 days of invoicing. IBETL has submitted bids through PTC India in respect of the TNEB tender for new tariffs, beginning June 1, 2010, the results of which are currently awaited.

Income from the sale of electricity generated by the IBETL Power Project for the fiscal years 2007, 2008 and 2009 and the nine months ended December 31, 2009, was Rs. 136.33 million, Rs. 235.85 million, Rs. 122.92 million and Rs. 316.49 million, respectively.

Fuel Supply

Our fuel requirement for the IBETL Power Project is 540 metric tonnes of wood-based biomass per day at 100.0% PLF and an assumed gross calorific value of 2,950 kilocalories per kilogram of fuel. Our primary source of fuel is biomass such as *Prosopis Juliflora* shrubs combined with wood powder and matchbox waste. We procure our biomass at market prices from traders in the surrounding areas. Due to an increase in the cost of biomass, we currently utilise a mix of biomass and imported coal.

Operations and Maintenance

IBETL's O&M requirements are handled by our in-house team. IBETL's O&M costs for the nine months ended December 31, 2009 and the fiscal years 2009 and 2008 was Rs. 44.42 million, Rs. 44.89 million and Rs. 33.10 million, respectively.

Power Evacuation

IBETL delivers power generated from this project using a 110 KV transmission line to the TNEB Eppudumvendren sub-station. Currently, IBETL is not required to pay any transmission or wheeling charges to the TNEB because it is supplying power to the TNEB. In the future, we may incur transmission or wheeling charges, if we elect to supply power to third parties.

Property

The IBETL Power Project is located on approximately 30.51 acres of land owned by IBETL. The total cost of land acquisition was Rs. 4.96 million.

Water Supply

The amount of water required by the IBETL Power Project is estimated to be 240 cubic metres per day. These water requirements are met through water provided by nearby private water tankers. For the fiscal year 2009 and the nine months ended December 31, 2009, IBETL incurred Rs. 4.22 million and Rs. 3.50 million, respectively, in water supply costs in connection with the IBETL Power Project.

Insurance

IBETL maintains industrial all risk policies for the IBETL Power Project.

Ind-Barath Energies Maharashtra Limited

Introduction

Our 79.2% owned Subsidiary, IBEML, commissioned a 20.0 MW biomass-based power project ("IBEML Power Project") at Nanded, Maharashtra in January 2009. For further details, see "Our Subsidiaries" on page 225.

Financing

The IBEML Power Project was funded through a combination of equity contributions from our Company and other investors, and secured and unsecured debt. As of March 31, 2010, the total equity investment made by our Company in IBEML is Rs. 192.57 million. We secured financing of Rs. 564.70 million for the implementation of the IBEML Power Project, from two lenders, IDBI and Indian Overseas Bank. As of March 31, 2010, Rs. 442.13 million and Rs. 157.29 million in principal amount of secured and unsecured loans, respectively, remains outstanding.

Power Generation

The main generating equipment of the IBEML Power Project consists of one steam turbine generator set and one boiler manufactured by Hangzhou Steam Turbine Company Limited and Walchandnagar Industries Limited, respectively. The turbine generator set is capable of producing up to 20.0 MW of power. The operational data for the IBEML Power Project is as follows:

	Fiscal Year 2009	Fiscal Year 2010
Plant Load Factor (%)	33.12	31.95
Units Generated (million kWh)	11.92	55.97
Units Sold (million kWh)	8.23	46.43

IBEML Power Project's relatively low plant load factor in the fiscal years 2009 and 2010 was on account of the high price of biomass fuel and an accident at its feedstock yard in April 2009 which led to the destruction of a large amount of biomass fuel reserves.

Off-take Arrangements

IBEML has entered into a biomass energy purchase agreement dated October 18, 2006 with MSEDCL. IBEML presently sells all of its power generated to MSEDCL at the prevailing tariff determined by the Maharashtra Electricity Regulatory Commission ("MERC"). Under the terms of the agreement, the tariff was determined at Rs. 3.08 per kWh, which was subject to an annual increase of between Rs. 0.04 and Rs. 0.03 per kWh. The agreement is valid for a period of 13 years from the commercial operation date in January 2009. On September 23, 2008, the Maharashtra Biomass Energy Developers Association filed a petition with the MERC, seeking an increase in biomass-based power tariffs. In an interim order dated December 14, 2009, MERC has set the tariff at Rs. 4.98 per kWh, which is valid until March 31, 2010. As of date, no supervening order has been issued and we will continue to bill MSEDCL at Rs. 4.98 per kWh until such order is issued.

Under the terms of the agreement, we are required to supply all of our generated power to MSEDCL. The tariff paid by MSEDCL is subject to a fixed component and a variable component. If IBEML operates the plant at below 80.0% plant load factor, MSEDCL may reduce the fixed component of the tariff on a pro rata basis. In addition, our fossil fuel usage must not exceed 25.0% of the total fuel quantity. As per the terms of the agreement, any failure to adhere to the fuel mix requirement, may allow MSEDCL to assess penalties on IBEML.

We have filed a petition with the MERC for cancellation of the biomass energy purchase agreement, which was dismissed on January 8, 2010. On February 22, 2010, we filed an appeal against MERC's dismissal of our petition at the Appellate Tribunal for Electricity at New Delhi. As of the date of this Draft Red Herring Prospectus, a hearing is scheduled for July 7, 2010 and the matter remains under litigation. For further details, see "Risk Factors - We have not fulfilled our obligations under the biomass energy purchase agreement with Maharashtra State Electricity Distribution Company Limited ("MSEDCL") and may be subject to penalties that may adversely affect our business, results of operations and financial condition." and "Outstanding Litigation and Material Developments" on pages 16 and 413, respectively.

Income from the sale of electricity generated by the IBEML Power Project for the fiscal year 2009 and the nine months ended December 31, 2009, was Rs. 32.46 million and Rs. 124.93 million, respectively.

Fuel Supply

Our fuel requirement for the IBEML Power Project is 560 metric tonnes of agricultural waste per day at 100.0% PLF and an assumed gross calorific value of 2,750 kilocalories per kilogram of fuel. We procure biomass for this project at market prices from traders in the surrounding areas. Due to an increase in the cost of biomass, we currently utilise a mix of biomass and coal. IBEML procures its requirement from the spot market.

Operations and Maintenance

IBEML's O&M requirements are handled by our in-house team.

Power Evacuation

IBEML delivers power generated from this project using a 132 KV transmission line to the MSETCL Mukhed sub-station. IBEML is not required to pay any transmission or wheeling charges to MSEDCL because IBEML is supplying power to MSEDCL. Going forward, we may incur transmission and wheeling charges should we elect to supply power to other third parties.

Property

The IBEML Power Project is located on approximately 29.58 acres of land owned by IBEML. The total cost of land acquisition was Rs. 29.73 million.

Water Supply

The amount of water required by the IBEML Power Project is estimated to be 250 cubic metres per day. The water requirements are met through water provided by private water tankers. For the fiscal year 2009 and the nine months ended December 31, 2009, IBEML incurred Rs. 1.53 million and Rs. 2.38 million, respectively, in water supply costs in connection with the IBEML Power Project.

Insurance

IBEML maintains a standard fire and special perils policy for the IBEML Power Project.

Raghu Rama Renewable Energy Limited

Introduction

Our 99.7% owned Subsidiary, RRREL commissioned a 18.0 MW biomass/coal-based power project (“RRREL Power Project”) at Ramnad, Tamil Nadu in October 2004. For further details, see “Our Subsidiaries” on page 225.

Financing

The RRREL Power Project was funded through a combination of equity contributions from our Company and other investors and secured debt. As of March 31, 2010, the total equity investment made by our Company in RRREL is Rs. 181.27 million. We secured financing of Rs. 423.20 million for the implementation of the RRREL Power Project, from two lenders, UCO Bank and Power Finance Corporation Limited. As of March 31, 2010, Rs. 42.29 million in principal amount of secured loans remains outstanding. The debt availed from UCO Bank has been repaid in full.

Power Generation

The main generating equipment of the RRREL Power Project consists of one steam turbine generator set and one boiler manufactured by a Russian supplier and Walchandnagar Industries Limited, respectively. The turbine generator set is capable of producing up to 18.0 MW of power. The operational data for the RRREL Power Project is as follows:

	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
Plant Load Factor (%)	79.93	57.84	30.33	52.48
Units Generated (million kWh)	126.04	91.20	47.82	82.75
Units Sold (million kWh)	114.59	80.79	41.98	73.17

RRREL Power Project’s relatively low plant load factor in the fiscal year 2009 was on account of the high price of biomass fuel.

Off-take Arrangements

Pursuant to an agreement dated April 6, 2009, as amended on October 22, 2009, RRREL sells 12.0 MW of power per month to PTC India at an average tariff rate of Rs. 5.90 per kWh. The agreement is valid until March 31, 2014, however the tariff is valid until May 31, 2010, after which it is subject to renegotiation. In case RRREL fails to meet 80.0% of its scheduled energy supply for a given month, RRREL must pay a penalty to PTC India for such a shortfall. Similarly, where PTC India does not utilise more than 80.0% of the scheduled energy supply for a given month, PTC India must pay a penalty to RRREL. RRREL must also provide a performance guarantee equivalent to 10.0% of the expected monthly charges in favour of PTC India and the current performance guarantee is valid until June 2010. RRREL also provides a rebate of 2.0% to PTC India for full payments received from PTC India within 10 days of invoicing. RRREL has submitted bids through PTC India in respect of the TNEB tender for new tariffs, beginning June 1, 2010, the results of which are currently awaited.

Income from the sale of electricity generated by the RRREL Power Project for the fiscal years 2007, 2008 and 2009 and the nine months ended December 31, 2009, was Rs. 357.44 million, Rs. 254.03 million, Rs. 132.82 million and Rs. 333.05 million, respectively.

Fuel Supply

Our fuel requirement for the RRREL Power Project is 530 metric tonnes of wood-based biomass per day at 100.0% PLF and an assumed gross calorific value of 2,950 kilocalories per kilogram of fuel. Our primary source of fuel is biomass such as *Prosopis Juliflora* shrubs combined with wood powder and matchbox waste. We procure our biomass at market prices from traders in the surrounding areas. Due to an increase in the cost of biomass, we currently utilise a mix of biomass and coal. RRREL procures its coal requirement from the spot market.

Operations and Maintenance

RRREL's O&M requirements are handled by our in-house team. RRREL's O&M costs for the nine months ended December 31, 2009 and the fiscal years 2009 and 2008 was Rs. 43.24 million, Rs. 42.93 million and Rs. 55.21 million, respectively.

Power Evacuation

RRREL delivers power generated from this project using a 110/230 KV transmission line to the TNEB Melakavadur sub-station. RRREL is not required to pay any transmission or wheeling charges to the TNEB because it is supplying power to the TNEB. In the future, we may incur transmission or wheeling charges, if we elect to supply power to third parties.

Property

The RRREL Power Project is located on approximately 21.39 acres of land owned by RRREL. The total cost of land acquisition was Rs. 0.74 million.

Water Supply

The amount of water required by the RRREL Power Project is estimated to be 240,000 litres of water per day. RRREL's water requirements are governed by a letter of permission, dated June 18, 2003, granted by the Public Works Department, Tamil Nadu. The letter gives RRREL the right to draw 95,000 litres of water per day for as long as RRREL operates by the terms of the letter, including responsibility for the treatment and purification of water and necessary rainwater harvesting. The balance water requirement of RRREL is obtained through third party sources. For the fiscal year 2009 and the nine months ended December 31, 2009, RRREL incurred Rs. 2.29 million and Rs. 2.39 million, respectively, in water supply costs in connection with the RRREL Power Project.

Insurance

RRREL maintains a standard fire and special perils policy for the RRREL Power Project.

Ind-Barath Energies Limited

Introduction

Our 97.4% owned Subsidiary, IBEL commissioned a 6.0 MW biomass/coal-based power project (“IBEL Power Project”) at Nalgonda, Andhra Pradesh in October 2000. For further details, see “Our Subsidiaries” on page 225.

Financing

The IBEL Power Project was financed through debt and funded through equity contributions from our Company and other shareholders. As of March 31, 2010, the total equity investment made by our Company in IBEL is Rs. 75.84 million. All the debt incurred for this project has since been fully repaid.

Power Generation

The main generating equipment of the IBEL Power Project consists of one steam turbine generator set and one boiler. The turbine and generator that make up the steam turbine generator set are manufactured by a European company and Bharat Heavy Electricals Limited, respectively. The boiler is manufactured by Walchandnagar Industries Limited. The turbine generator set is capable of producing up to 6.0 MW of power. The operational data for the IBEL Power Project is as follows:

	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
Plant Load Factor (%)	99.54	89.23	84.36	75.92
Units Generated (million kWh)	52.32	46.90	44.34	39.91
Units Sold (million kWh)	44.72	41.56	40.08	33.59

Off-take Arrangements

We currently undertake third party sales, and the tariffs for such sales are based on high tension (“HT”) tariffs, which are determined by the local regulatory authorities. Typically, we provide prompt payment discounts to our customers.

Income from the sale of electricity generated by the IBEL Power Project, for the fiscal years 2007, 2008 and 2009 and the nine months ended December 31, 2009, was Rs. 207.70 million, Rs. 192.79 million, Rs. 172.87 million and Rs. 104.23 million, respectively.

Fuel Supply

Our fuel requirement for the IBEL Power Project is 185 metric tonnes per day of biomass rice husk at 100.0% PLF and an assumed gross calorific value of 3,000 kilocalories per kilogram of fuel. Our primary source of fuel is biomass such as rice husk. We procure our rice husk at market prices from traders in the surrounding areas. Due to an increase in the cost of rice husk, we currently utilise a mix of biomass and coal. IBEL procures its coal requirement from the spot market.

Operations and Maintenance

IBEL’s O&M requirements are handled by our in-house team. IBEL’s O&M costs for the nine months ended December 31, 2009 and the fiscal years 2009 and 2008 was Rs. 11.63 million, Rs. 13.06 million and Rs. 13.45 million, respectively.

Power Evacuation

IBEL delivers power generated from this project using a 33 KV transmission line to the APTRANSCO Miryalaguda sub-station. IBEL currently pays wheeling charges at 2.0% to Central Power Distribution Company of Andhra Pradesh Limited (“APCPDCL”), pursuant to the power wheeling and purchase agreement with the Andhra Pradesh State Electricity Board. The Andhra Pradesh Electricity Regulatory Commission has determined wheeling charges at a higher rate and the matter is currently pending before the Supreme Court of India. For further details, see “Outstanding Litigation and Material Developments” on page 413.

Property

The IBEL Power Project is located on approximately 7.47 acres of land owned by IBEL. The total cost of land acquisition was Rs. 2.14 million.

Water Supply

The amount of water required by the IBEL Power Project is estimated to be 0.38 million litres per day. These water requirements are met pursuant to an agreement dated June 2, 2001 with the Government of Andhra Pradesh. The agreement gives IBEL a licence to draw water up to 1.2 million litres of water per day. For the fiscal year 2009 and the nine months ended December 31, 2009, IBEL incurred Rs. 0.08 million and Rs. 0.06 million, in water supply costs in connection with the IBEL Power Project.

Insurance

IBEL maintains industrial all risk policies for the IBEL Power Project.

Dharmshala Hydro Power Limited

Introduction

Our 94.4% owned Subsidiary, DHPL commissioned a 4.5 MW hydroelectric power project (“Maujhi Phase I”) at Kangra, Himachal Pradesh in June 2004. For further details, see “Our Subsidiaries” on page 225.

We have signed an implementation agreement with respect to Maujhi Phase I with the Government of Himachal Pradesh on May 16, 2001. Under the terms of the Maujhi Phase I implementation agreement, DHPL is required to hand over Maujhi Phase I to the Government of Himachal Pradesh, on expiry of the current term of the agreement on June 11, 2044. However, the Government of Himachal Pradesh retains the right to extend the agreement for a further term of 20 years.

Financing

Maujhi Phase I was funded through a combination of equity contributions from our Company and other investors and secured debt. As of March 31, 2010, the total equity investment made by our Company in DHPL (for both Maujhi Phase I and Maujhi Phase II) is Rs. 171.94 million including share application funds. We secured financing of Rs. 185.70 million for the implementation of Maujhi Phase I, from three lenders, including Indian Renewable Energy Development Agency Limited and Punjab National Bank. As of March 31, 2010, Rs. 74.70 million in principal amount of secured loans remains outstanding.

Power Generation

The main generating equipment of Maujhi Phase I consists of two turbine generator sets manufactured by VA TECH Hydro of Austria. Each turbine generator set is capable of producing up to 2.25 MW of power. The operational data for Maujhi Phase I is as follows:

	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
Plant Load Factor (%)	31.23	27.01	26.24	20.75
Units Generated (million kWh)	12.31	10.65	10.34	8.18
Units Sold (million kWh)	12.15	10.46	10.15	8.02

The relatively low plant load factor across the life of Maujhi Phase I is on account of weather conditions. Maujhi Phase I is unable to generate power when the water is freezing or during flood conditions.

Off-take Arrangements

Pursuant to an agreement dated July 9, 2002 with the Himachal Pradesh State Electricity Board (“HPSEB”), DHPL sells power generated from Maujhi Phase I at an average tariff rate of Rs. 2.50 per kWh. If the power generated from Maujhi Phase I is sold to third parties or outside the state of Himachal Pradesh, DHPL is obliged to provide 10.0% of power generated from Maujhi Phase I to HPSEB, free of cost, from the commercial operation date. If the power generated from Maujhi Phase I is sold by DHPL exclusively to HPSEB, this levy is waived for fifteen years from the commercial operation date. After 15 years from the commercial operation date, DHPL will be obliged to provide 10.0% of power generated from Maujhi Phase I to HPSEB, free of cost. All power generated by DHPL is currently sold to HPSEB. This agreement is valid until June 2044 and is renewable for an additional term of 20 years by the Government of Himachal Pradesh.

Income from the sale of electricity generated by Maujhi Phase I, for the fiscal years 2007, 2008 and 2009 and the nine months ended December 31, 2009, was Rs. 30.28 million, Rs. 26.15 million, Rs. 25.38 million and Rs. 17.47 million, respectively.

Operations and Maintenance

Maujhi Phase I’s O&M requirements are handled by DHPL’s in-house team. Maujhi Phase I’s O&M costs for the nine months ended December 31, 2009 and the fiscal years 2009 and 2008 was Rs. 1.17 million, Rs. 0.83 million and Rs. 0.98 million, respectively.

Power Evacuation

DHPL delivers power generated from this project using a 33 KV transmission line to the HPSEB Sidhpur sub-station. DHPL is not required to pay any transmission or wheeling charges to HPSEB.

Property

The Maujhi Phase I and II projects are located on approximately 17.04 acres of land owned by DHPL. This land was forest land and was granted to DHPL by the Ministry of Environment and Forests. In exchange for the grant, we are required to complete forestation of 35.88 acres of forest land.

Water Supply

The Maujhi Phase I hydroelectric project is located on Maujhi Khad, a tributary of the Beas River.

Insurance

DHPL maintains a standard fire and special perils policy.

Ind-Barath Power Infra Limited

Introduction

We commissioned a 0.75 MW wind-based power project at Idukki, Kerala in April 2008.

Financing

The total cost of the power project was approximately Rs. 42.57 million. Of this amount, approximately Rs. 30.00 million was financed through debt and the balance of Rs. 12.57 million was funded through equity contributions from our Company and other shareholders.

Our wind-based power project was funded through a combination of equity contributions from our Company and secured debt. As of March 31, 2010, the total equity investment made by our Company was Rs. 12.57 million. We secured financing of Rs. 30.000 million from Allahabad Bank. As of March 31, 2010, Rs. 24.00 million in principal amount under the loan agreement remains outstanding.

Power Generation

The main generating equipment of the power project consists of one wind turbine generator set manufactured by Vestas Wind Technology Private Limited. The wind turbine generator set is capable of producing up to 0.75 MW of power. The operational data of our wind-based power plant is as follows:

	Fiscal Year 2009	Fiscal Year 2010
Plant Load Factor (%)	27.55	32.59
Units Generated (million kWh)	1.81	2.14
Units Sold (million kWh)	1.77	2.08

We believe that this plant load factor is in line with industry standards.

Off-take Arrangements

Pursuant to our agreement with the Kerala State Electricity Board (“KSEB”), dated March 26, 2008, we sell 0.75 MW of power per month at an average tariff rate of Rs. 3.14 per kWh. This agreement is valid for twenty years from the date of commissioning of the power project. We provide a 2.0% prompt payment discount to the KSEB for any payments received by us before due date.

Income from the sale of electricity generated by our Company’s power project at Idukki for the fiscal year 2009 and the nine months ended December 31, 2009, was Rs. 5.56 million and Rs. 5.76 million, respectively.

Operations and Maintenance

We appointed Vestas Wind Technology Private Limited as the O&M contractor for our wind turbine generator. The appointment of Vestas Wind Technology Private Limited is valid for a period of five years from the date of commissioning of the power project. The scope of work includes responsibility for the scheduled maintenance and service, spare parts, oil and main components of the plant and wind turbine generator. Under the terms of the agreement, Vestas Wind Technology Private Limited will receive a sum of Rs. 0.57 million for the first year, which is subject to an annual escalation.

Power Evacuation

The wind-based power project delivers all of the power generated from this project using a 66 KV transmission line to the KSEB Nedumkandom sub-station.

Property

The wind-based power project is located on approximately 1.87 acres of land owned by our Company. The total cost of land acquisition was Rs. 0.19 million.

Insurance

We maintain a standard fire and special perils policy for our wind-based power project.

Our Power Projects Under Implementation

We defined our power projects under implementation as those projects where financial closure has been achieved and fuel supply arrangements or one of engineering, procurement or construction agreements have been executed. We refer to “financial closure” as the first date on which the financing documents providing for funding by the banks have become effective and all initial pre-commitment conditions precedent are satisfied to the extent they have not been waived.

Ind-Barath Energy (Utkal) Limited

Introduction

Our 79.4% owned Subsidiary, IBEUL is currently in the process of implementing a 700.0 MW coal-based power project (“IBEUL Phase I”), which is expected to be fully commissioned by March 2012. Our Company, IBEUL and PTC entered into a share subscription and shareholders agreement dated August 11, 2009, pursuant to which PTC acquired an equity interest in IBEUL for an aggregate consideration of Rs. 1,050.00 million, which is currently 20.6% of the total equity of IBEUL. However, pursuant to terms of the share subscription and shareholders agreement, our Company has the right to subscribe to further shares in IBEUL until PTC’s interest falls to 13.2%.

Pursuant to the terms of the agreement, our Company has the right to buy back IBEUL shares held by PTC, within 30 days of the expiry of five years from the date of allotment of such shares. PTC also has the right to sell back to our Company any IBEUL shares within five years from the original date of allotment. Upon sale of the IBEUL shares back to our Company, PTC will receive a guaranteed compound annual return of 23.65%, net of taxes and any dividends already paid to PTC. Pursuant to a letter dated April 29, 2010, PTC has waived its conversion right under the terms of the agreement, subject to certain conditions. For further details, see “Our Subsidiaries” and “Descriptions of Certain Key Contracts” on pages 225 and 175, respectively.

Memorandum of Understanding

IBEUL signed a memorandum of understanding with the State Government of Orissa on February 07, 2009. Under the terms of the memorandum, the State Government of Orissa will have the right to purchase 14.0% of power generated by IBEUL in case captive coal blocks are allocated in Orissa or 12% otherwise. In addition, IBEUL will be required to pay Rs. 0.06 for every unit of power produced to the state government's environment management fund. Further, the State Government of Orissa has agreed to provide assistance in securing land, coal linkages and necessary approvals and clearances.

In addition, under the terms of the memorandum of understanding, IBEUL is also required to employ a certain number of Orissa residents at the project. The memorandum of understanding reserves 90.0%, 60.0% and 30.0% of the positions available, to Orissa residents, for unskilled/semiskilled labour, skilled labour and supervisory/managerial labour, respectively. IBEUL through its letter dated February 5, 2009 has also committed to constructing a biomass power project of 20.0 MW generating capacity, in Orissa at an appropriate time.

Financing

We estimate that the total cost of IBEUL Phase I will be Rs. 31,850.00 million. IBEUL Phase I is funded through a combination of equity contributions from our Company and other investors including PTC and secured debt. As of April 30, 2010, the total equity investment made by our Company in IBEUL is Rs. 3,243.18 million. We secured financing of Rs. 23,890.00 million for the implementation of IBEUL Phase I from a consortium of fourteen lenders including, Power Finance Corporation Limited, Andhra Bank, Axis Bank, Bank of India, Bank of Baroda, Corporation Bank, Jammu & Kashmir Bank, Karnataka Bank Limited, Karur Vysya Bank, L&T Infrastructure Finance Company Limited, Punjab National Bank, UCO Bank, Union Bank of India and United Bank of India. As of April 30, 2010, Rs. 1,885.50 million in principal amount has been drawn down.

Procurement and Implementation

Supply Agreement

IBEUL has entered into a supply agreement with Cethar Vessels Limited, dated May 16, 2009, for a total value of Rs. 10,990.00 million. The scope of work under the supply agreement includes supply of all equipment, auxiliaries and accessories.

Service Agreement

IBEUL has entered into a service agreement with Cethar Vessels Limited, dated May 16, 2009, for a total value of Rs. 725.00 million. The scope of work includes proper execution of the erection work of the power project.

Under the terms of these supply and service agreements, Cethar Vessels Limited also agrees to ensure that the completed project will meet certain performance parameters. Any failure to meet these performance guarantees will trigger IBEUL's right to assess liquidated damages in proportion to the performance shortfall. If the failure to meet the performance guarantees is beyond a certain threshold, IBEUL may reject the equipment altogether. For further details, see "Description of Certain Key Contracts" on page 175.

Civil Contracts

IBEUL has entered into three contracts with a leading Indian EPC service provider, each dated January 7, 2010, for construction of civil and structural works and provision of supplies and services for IBEUL Phase I. The total aggregate contract value of the three contracts is Rs. 9,470.00 million. The scope of work under the civil and structural works contract includes providing all civil and structural works for the project and the supply of cement, reinforcement steel and structural steel. The scope of the contract to provide the services for the project includes providing erection, testing and commissioning services. In addition, the scope of the contract to provide supplies for the project include supply of all materials, equipment, appliances, auxiliaries and accessories required for the project.

As of April 30, 2010, IBEUL has incurred Rs. 6,178.68 million in implementation costs including cash and bank balances awaiting utilisation of Rs. 3,114.95 million.

Power Generation

The main generating equipment of IBEUL Phase I consist of two steam turbine generator sets and two pulverised coal fired reheat type boilers manufactured by Harbin Turbine Company Limited and Cethar Vessels Limited, respectively. Each turbine generator set is capable of producing up to 350.0 MW of power.

Off-take Arrangements

Pursuant to an agreement dated June 24, 2009 with PTC India, IBEUL has agreed to sell 560.0 MW of power, out of which, 400.0 MW of power will be sold on a long term basis and the remaining 160.0 MW of power will be sold on a short or medium term basis at a minimum guaranteed price of Rs. 2.50 per kWh. This guaranteed price is valid from the commercial operation date up to November 30, 2016. In case IBEUL fails to meet 75.0% of its scheduled energy supply for a given year or for an aggregate of twelve months out of any 36 month period, IBEUL must pay a penalty to PTC India for such shortfall. This agreement is valid for 25 years from the date of commissioning of the power project.

IBEUL has also entered into an agreement with GRIDCO Limited (“GRIDCO”) on September 14, 2009, whereby GRIDCO will receive, on behalf of the Government of Orissa, 12.0% of power generated by IBEUL. If the coal is sourced from captive coal blocks within the state of Orissa, IBEUL is required to supply 14.0% of the power generated to GRIDCO. The tariff for the allotted power will be determined by the Orissa Electricity Regulatory Commission. The rights of the Government of Orissa will supersede any rights of any third party.

Fuel Supply

We expect that upon full commissioning of all units, our fuel requirement for IBEUL Phase I will be 11,500 metric tonnes of domestic coal per day at 100.0% PLF and an assumed gross calorific value of 3,360 kilocalories per kilogram of fuel. IBEUL has received a letter of assurance from Mahanadi Coalfields Limited on July 8, 2009 for supply of 1.95 million metric tonnes per annum of Grade F coal towards a 450.0 MW power project. In addition, IBEL received a letter of assurance from Mahanadi Coalfields Limited on December 29, 2008 for supply of 1.12 million metric tonnes per annum of Grade F coal towards a 250.0 MW power project. Pursuant to a scheme of arrangement order issued by the Hyderabad High Court on December 26, 2008, the IBEL letter was transferred to IBEUL. Under the terms of the letters, Mahanadi Coalfields Limited agrees to provide the coal so long as IBEUL meets certain milestones such as land acquisition, environmental clearances and financial closure. Both letters require all milestones to be met within 24 months of their issuance.

We intend to meet any excess fuel requirements through purchases made on the spot market.

Operations and Maintenance

We are yet to enter into any O&M agreements for this project.

Power Evacuation

IBEUL, and others, have signed a long term open access agreement with Power Grid Corporation of India Limited. Under the terms of the agreement, IBEUL is required to pay transmission and wheeling charges to Power Grid Corporation of India Limited, as decided by the Central Electricity Regulatory Commission. Such charges are applicable from the scheduled dates of commissioning of each unit, as noted in the agreement, of December 2011 (for the first unit) and February 2012 (for the second unit), irrespective of the actual dates of commissioning. IBEUL will receive open access for up to 616.0 MW of electricity for 25 years from the scheduled dates of commissioning. For further details, see “Descriptions of Certain Key Contracts” on page 175.

IBEUL expects to deliver power generated from this project using a 400 KV transmission line, to be constructed by IBEUL, to the Jharsuguda sub-station at an estimated cost of approximately Rs. 400.00 million.

Property

IBEUL Phase I will be located on approximately 464 acres of land owned by IBEUL. The total cost of land acquisition with respect to IBEUL Phase I and IBEUL Phase II was Rs. 216.60 million.

Water Supply

The amount of water required by IBEUL Phase I is estimated to be 2,703 cubic metres per hour. These water requirements will be met through water drawn from the Mahanadi River pursuant to an agreement dated September 14, 2009, with the Department of Water Resources of the State Government of Orissa. The agreement gives IBEUL a licence to draw 2,854 cubic metres per hour of water for seven months of the year. The balance of our requirements are to be fulfilled through the construction of a reservoir at the site and purchases from private water tankers.

Ind-Barath Power (Madras) Limited

Our 83.7% owned Subsidiary, IBPML, is currently implementing a 660.0 MW coal based power project (“IBPML Power Project”) at Thoothukudi, Tamil Nadu, which is expected to be fully commissioned by December 2013.

IBPML has entered into a consortium agreement with Coastal Projects Private Limited (“Coastal”). For further details, see “– Our Planned Projects – Ind-Barath Power (Madras) Limited – Expansion”

Letter of Facilitation

IBPML received a letter of facilitation from the Energy Department of the State Government of Tamil Nadu on February 29, 2008, subsequently modified through a TNERC order dated October 23, 2008.

Financing

We estimate that the total cost of the IBPML Power Project will be Rs. 35,950.00 million. The IBPML Power Project is to be funded through a combination of equity contributions from our Company and other investors and secured debt. As of April 30, 2010, the total equity investment (including share application monies) made by our Company in IBPML is Rs. 96.95 million. We have received an underwriting letter, dated March 24, 2010, from Axis Bank which sanctions the underwriting of a rupee term loan of Rs. 26,960.00 million and letter of credit of Rs. 4,000.00 million as a sub-limit to the term loan. As of April 30, 2010, Rs. 87.99 million in principal amount of unsecured loan remains outstanding.

Procurement and Implementation

IBPML is currently negotiating a boiler, steam turbine and generator (“BTG”) package with Sokeo Power Private Limited, Runh Power Plant Engineering Technology Company Limited and Harbin Turbine Company Limited. The BTG package is expected to cost U.S.\$ 228.00 million, excluding any applicable taxes or duties, and the related services in designing, engineering, erecting and commissioning of the BTG package is expected to cost Rs. 1,700.00 million.

As of April 30, 2010, IBPML has incurred Rs. 184.94 million in implementation costs for the IBPML Power Project, which is expected to be commissioned by December 2013.

Off-Take Arrangements

We do not have any off-take arrangements in relation to the IBPML Power Project.

Fuel Supply

Our primary source of fuel is expected to be coal. Our fuel requirement for this plant is expected to be 3.49 million metric tonnes of domestic coal per annum at 100.0% PLF and an assumed gross calorific value of 3,360 kilocalories per kilogram of fuel. We intend on procuring 70.0% of our coal requirement from domestic coal linkages and the balance 30.0% from imported coal. We have applied for a domestic coal linkage in relation to this project. On January 29, 2010, in response to our application, the Standing Linkage Committee for Power facilitated the issuance of a letter of assurance by Coal India Limited for the provision of coal for this power project. On April 29, 2010, Coal India Limited issued a letter requiring us to provide commitment guarantees. Upon provision of such guarantees, Coal India Limited is obliged to provide us with a letter of assurance. As of May 6, 2010, IBPML has provided the required guarantees.

Pursuant to an agreement dated April 15, 2010, between IBPML and our Subsidiary, PT Indbharath Energy, IBPML has agreed to purchase between 675,000 – 825,000 metric tonnes of coal, depending on IBPML's actual requirements. If IBPML's actual coal requirement is below 675,000 metric tonnes, IBPML is required to pay the difference in cost between actual coal purchased and 675,000 metric tonnes. However, IBPML is allowed to take the excess coal that it has paid for, free of cost, in any subsequent delivery year of the contract. The calorific value of the coal delivered is required to be approximately 5,400 kilocalories per kilogram, on a gross-as-delivered basis, and upon delivery of the coal, penalties or premiums will be assessed if there is any deviation from the calorific value requirement.

Under the terms of the agreement, delivery of coal is to take place upon written notice from IBPML, and such notice must be issued prior to September 30, 2013. Delivery of coal must commence within sixty days of the commencement notice, subject to a six-month extension upon written notice from PT Indbharath Energy. The agreement is valid for five years from the date of commencement of the first delivery of coal. The base price of the coal is fixed at U.S.\$ 56.00 per metric tonne. The actual price paid is subject to analysis of the calorific value of the coal. IBPML also has the right, subject to certain conditions, to purchase more coal from PT Indbharath Energy than the contracted amounts, at 7.5% below international prices, excluding shipping and other applicable charges.

Water Supply

The amount of water required by the IBPML Power Project is estimated to be 4,800 cubic metres per day.

Power Evacuation

IBPML, and others, have signed a long term open access agreement with Power Grid Corporation of India Limited. Under the terms of the agreement, IBPML is required to pay transmission and wheeling charges to Power Grid Corporation of India Limited, as decided by the Central Electricity Regulatory Commission. Such charges are applicable from the scheduled date of commissioning, as noted in the agreement, of March 2012, irrespective of the actual date of commissioning. IBPML will receive open access for up to 900.0 MW of electricity until March 2037. For further details, see "Descriptions of Certain Key Contracts" on page 175.

Pursuant to the agreement, IBPML expects to deliver power generated from this project using a 400 KV transmission line to the Tuticorin Pooling Power Grid Corporation substation at an estimated cost of approximately Rs. 520.00 million.

Property

The IBPML Power Project will be located on approximately 460 acres of land. Our Company is in the process of acquiring land for this project.

Ind-Barath Thermal Power Limited

Introduction

Our 99.96% owned Subsidiary, IBTPL is currently in the process of implementing a 300.0 MW coal-based power project (“IBTPL Power Project”), which is expected to be fully commissioned by June 2012. The name of IBTPL was changed from Ind-Barath Power (Karwar) Limited (“IBPKL”) on December 16, 2009.

Financing

We estimate that the total cost of the IBTPL Power Project will be Rs. 12,970.00 million. The IBTPL Power Project is funded through a combination of equity contributions from our Company and other investors, and secured and unsecured debt. As of April 30, 2010, the total equity investment made by our Company in IBTPL is Rs. 1,561.70 million. We secured financing of Rs. 9,418.00 million of senior debt for the implementation of the IBTPL Power Project from a consortium of twelve lenders including, Punjab National Bank, Canara Bank, UCO Bank, Vijaya Bank, L&T Infrastructure Finance Company, State Bank of Mysore, State Bank of Travancore, Axis Bank Limited, Bank of India, Indian Bank, State Bank of Indore and Syndicate Bank. As of April 30, 2010, we have drawn down Rs. 1,195.60 million in principal amount.

IBTPL has also entered into two separate subordinate debt facilities as follows:

- On March 31, 2008, IBTPL entered into a Rs. 328.00 million term loan agreement for subordinate debt with a consortium of lenders, including Bank of India, Oriental Bank of Commerce, Indian Bank, Infrastructure Leasing and Financial Service Limited, UCO Bank, Indian Overseas Bank, Central Bank of India, Vijaya Bank, Bank of Maharashtra, Dena Bank, United Bank of India, Corporation Bank, Canara Bank and Syndicate Bank. This loan was amended on September 11, 2008, to reallocate the same principal between the consortium. As of April 30, 2010, Rs. 161.99 million in principal amount, which remains outstanding.
- On May 2, 2008, IBTPL entered into a Rs. 300.00 million subordinate debt agreement with L&T Infrastructure Finance Company and State Bank of Mysore. Under the terms of the loan agreement, IBTPL could draw down up to Rs. 300.00 million. As of April 30, 2010, Rs. 148.01 million in principal amount remains outstanding.

However, due to delays in project implementation as a result of protests of local political and environmental groups, we moved the project from its proposed location of Karwar, Karnataka to Thoothukudi, Tamil Nadu and renamed the project company. IBTPL had incurred Rs. 125.30 million in site development and land acquisition costs at the Karwar site. IBTPL has received sanction letters dated February 26, 2010 and May 14, 2010 from Punjab National Bank, the lead bank, and Infrastructure Leasing and Financial Services Limited, the subordinate debt lead bank, respectively, which sanction a restructuring of the debt as a result of the change in location. The debt restructuring requires the approvals of all other senior and subordinate lenders, which approvals are yet to be procured, and the disbursement of the loan is subject to IBTPL obtaining the necessary clearances and approvals for the new site. The entire debt component of the financing for this project has been tied-up, subject to approvals regarding location change.

Procurement and Implementation

Supply Agreement

IBTPL has signed a supply agreement with Greenesol Power Systems Private Limited dated February 22, 2008 for a total contract value of Rs. 5,490.00 million. The scope of work under the supply agreement includes providing assistance in the design, engineering, manufacture or procurement of parts, packing and forwarding of parts and final handover of the constructed project.

Service Agreement

IBTPL signed a service agreement with Greenesol Power Services Private Limited dated February 22, 2008 for a total contract value of Rs. 450.00 million. The scope of work under the service agreement includes providing assistance with issues such as port clearance, forwarding of equipment, inland transportation, erection of equipment and the provision of technical training to IBTPL employees.

Under the terms of both agreements, Greenesol Power Systems Private Limited and Greenesol Power Services Private Limited agree to ensure that the completed expansion project will meet certain performance parameters. Any failure to meet these performance guarantees may allow IBTPL to assess liquidated damages in proportion to the performance shortfall. If the failure to meet the performance guarantees is beyond a certain threshold, IBTPL may reject the equipment altogether. For further details, see “Description of Certain Key Contracts” on page 175.

Civil Works

IBTPL has entered into a contract for civil works with Nutan Nirman Private Limited dated February 21, 2008, for a total contract value of Rs. 1,850.00 million. The scope of work under the contract includes the execution of all civil works in relation to the IBTPL project such as the construction of compound walls, the laying of foundations for the proposed structures and construction of components of the power project such as the ash silo and chimney. For further details, see “Description of Certain Key Contracts” on page 175.

As of April 30, 2010, IBTPL has incurred Rs. 3,494.20 million in implementation costs including cash and bank balances awaiting utilisation of Rs. 187.50 million.

Power Generation

The main generating equipment of the power project consists of two steam turbine generators and two CFBC boilers manufactured by Hangzhou Steam Turbine Company Limited and a Chinese boiler manufacturer, respectively. Each turbine generator set is capable of producing up to 150.0 MW of power. The use of newer CFBC technology allows us to burn a wider range of fuel types. CFBC technology is considered to be more environmentally friendly than certain conventional technologies and is also comparatively cheaper to maintain. The IBTPL Power Project are also equipped with air-cooled condensers which result in efficient water usage.

Off-take Arrangements

Pursuant to an agreement between PTC India and IBTPL dated July 22, 2008, as amended and assigned on December 11, 2009, IBTPL will sell 260.0 MW of power per month to PTC India at an average tariff rate of Rs. 4.10 per kWh, after commissioning of the IBTPL Power Project. If PTC India is able to sell power at a higher tariff than the base rate, PTC India will charge 10.0% of the difference between Rs. 4.10 per kWh and the actual rate, as well as their regular commission of Rs. 0.04 per kWh for the sale of power. This average tariff rate will remain valid for two years from the date of commissioning. Upon expiry of the two year period, the agreement provides that the tariff may be changed, subject to mutual negotiations. The agreement is valid for six years from the date of commissioning of the power project.

Fuel Supply

We estimate upon full commissioning the power project, our fuel requirement for the IBTPL Power Project will be 1.17 million metric tonnes per annum of coal at 100.0% of PLF and an assumed gross calorific value of 5,400 kilocalories per kilogram of fuel. Pursuant to an agreement dated May 15, 2008 and as amended on October 26, 2009 and May 5, 2010, between IBTPL and our Subsidiary, PT Indbharath Energy, IBTPL agreed to purchase between 846,000 – 1,034,000 metric tonnes of coal, depending on IBTPL’s actual requirements, on an annual basis from September 2011 to February 2020. The calorific value of the coal delivered is required to be between 5,400 – 5,500 kilocalories per kilogram. Under the terms of the agreement, the base price of the coal is fixed at U.S.\$ 56.00 per metric tonne and is subject to an escalation of 5.0% after five years. The actual price paid is also subject to analysis of the calorific value of the coal. If the calorific value of the coal exceeds the contracted calorific value, IBTPL must pay the difference up to a maximum of U.S.\$ 5.00 per metric tonne.

We have applied for a domestic coal linkage for the balance of coal required, if any, in relation to the IBTPL Power Project. On January 29, 2010, in response to our application, the Standing Linkage Committee for Power facilitated the issuance of a letter of assurance by Coal India Limited for the provision of coal for this power project.

Power Evacuation

IBTPL is currently negotiating with TNEB with respect to the construction of power evacuation infrastructure from the IBTPL Power Project.

Property

The IBTPL Power Project will be located on approximately 270 acres of land owned by IBTPL. The total cost of land acquisition was Rs. 105.70 million.

Water Supply

The amount of water estimated to be required by the IBTPL Power Project is approximately 1,973 cubic metres of water per day. These water requirements are expected to be met through private water tankers.

Insurance

IBTPL maintains contractors all risks policy for its power project.

Ind-Barath Power Gencom Limited

Introduction

Our 73.9% owned Subsidiary, IBPGL, is currently in the process of implementing an additional generating unit of 63.0 MW capacity ("IBPGL Phase II"), which is expected to be commissioned by July 2010.

Financing

We estimate that the total cost of IBGGL Phase II will be Rs. 2,356.80 million. IBPGL Phase II is funded through a combination of equity contributions from our Company and other investors including PTC and secured debt. As of March 31, 2010, the total equity investment made by our Company in IBPGL (for both IBPGL Phase I and IBPGL Phase II) is Rs. 1,581.95 million. We secured financing of Rs. 1,100.00 million and U.S.\$ 10.00 million for the implementation of IBPGL Phase II from three lenders, UCO Bank, Punjab National Bank and Bank of India. As of March 31, 2010, Rs. 1,516.08 million (including approximately U.S.\$ 9.60 million of foreign currency debt) in principal amount of secured loans remains outstanding.

Procurement and Implementation

Supply Agreement

For IBPGL Phase II, IBPGL has entered into a supply agreement with Greenesol Power Systems Private Limited dated February 22, 2008 for a total contract value of Rs. 904.50 million. The scope of work under the supply agreement is to assist in the design, engineering, manufacture and procurement of parts of the project.

Service Agreement

For IBPGL Phase II, IBPGL signed a service agreement with Greenesol Power Services Private Limited dated February 22, 2008 for a total contract value of Rs. 150.00 million. The scope of work under the service agreement includes assistance with port clearance, forwarding of equipment, inland transportation, erection of equipment, handling, commissioning, performance testing and the provision of technical training to IBPGL employees.

Under the terms of the supply and services agreements, Greenesol Power Systems Private Limited and Greenesol Power Services Private Limited also agree to ensure that the completed expansion project will meet certain performance parameters. Any failure to meet these performance parameters will allow IBPGL to assess liquidated damages in proportion to the performance shortfall. If the failure to meet the performance guarantees is beyond a certain threshold, IBPGL may reject the equipment altogether. For further details, see “Description of Certain Key Contracts” on page 175.

As of March 31, 2010, IBPGL Phase II has incurred Rs. 2,421.90 million in implementation costs and as a result we have experienced cost overruns in this project. For further details, see “Risk Factors - We face considerable execution risks with respect to our power projects under implementation and our planned power projects. If we are unable to commence operations of these projects as expected or at all, our business prospects, financial position and results of operations may be adversely affected”, and “History and Certain Corporate Matters” on pages 27 and 214, respectively.

Power Generation

The main generating equipment of IBPGL Phase II consists of one steam turbine generator set and one CFBC boilers manufactured by Hangzhou Steam Turbine Company Limited and a Chinese boiler manufacturer, respectively. The turbine generator set is capable of producing up to 63 MW of power. IBPGL Phase II is also equipped with air-cooled condensers which result in efficient water usage.

Off-take Arrangements

IBPGL has entered into an agreement with PTC India, for further details, see “– Our Operational Power Projects – Ind-Barath Power Gencom Limited”.

Fuel Supply

IBPGL has entered into an agreement with PT Indbharath Energy, for further details, see “– Our Operational Power Projects – Ind-Barath Power Gencom Limited”. IBPGL has applied for a domestic coal linkage for up to 30.0% of the fuel requirements of IBPGL Phase II.

Operations and Maintenance

IBPGL appointed OEG as the O&M contractor for IBPGL Phase II, pursuant to an agreement dated September 1, 2008. The appointment of OEG is valid for a period of five years from the date of takeover of maintenance of the facility. Under the terms of the agreement, OEG will receive annual fees of Rs. 53.75 million for the first year and an annual increase of 5.0% for each subsequent year. The other material terms of this agreement are similar to the O&M agreement for IBPGL Phase I. For further details, see “– Our Operational Power Projects – Ind-Barath Power Gencom Limited”.

Power Evacuation

IBPGL intends to deliver power generated from IBPGL Phase II using a 230 KV transmission line to the TNEB Meelavittan sub-station.

Property

IBPGL Phase I and IBPGL Phase II are located on approximately 73.21 acres of land owned by IBPGL. For further details, see “– Our Operational Power Projects – Ind-Barath Power Gencom Limited”.

Water Supply

The amount of water required for both IBPGL Phase I and IBPGL Phase II is estimated to be approximately 600,000 litres of water per day. For further details, see “– Our Operational Power Projects – Ind-Barath Power Gencom Limited”.

Insurance

IBPGL maintains construction all risk policies for IBPGL Phase II.

Dharmshala Hydro Power Limited

Introduction

Our 94.4% owned Subsidiary, DHPL is implementing a 5.0 MW hydroelectric power project (“Maujhi Phase II”) at Kangra, Himachal Pradesh, which is expected to be commissioned in June 2010.

We have signed an implementation agreement with the Government of Himachal Pradesh, with respect to Maujhi Phase II on July 25, 2006. Under the terms of the Maujhi Phase II implementation agreement, DHPL is required to hand over Maujhi Phase II to the Government of Himachal Pradesh in January 2009. DHPL is also required to reserve at least 70.0% of the workforce for the power project, for residents of Himachal Pradesh. This quota does not apply to executive level positions, but DHPL is required to give priority to residents of Himachal Pradesh for such executive level positions. The Government of Himachal Pradesh will assist in acquiring the land required by the Maujhi Phase II project and in providing a rehabilitation plan for any persons displaced by the Maujhi Phase II project.

Financing

We estimate that the total cost of Maujhi Phase II will be Rs. 339.32 million. Maujhi Phase II is funded through a combination of equity contributions from our Company and other investors, and secured and unsecured debt. As of March 31, 2010, the total equity investment made by our Company in DHPL (for both Maujhi Phase I and Maujhi Phase II) is Rs. 171.94 million including share application funds. We secured financing of Rs. 236.80 million for the implementation of Maujhi Phase II from Indian Renewable Energy Development Agency Limited. As of March 31, 2010, Rs. 221.09 million and Rs. 81.84 million in principal amount of secured and unsecured loans, respectively, remains outstanding.

Procurement and Implementation

Contract Agreement – Service

For Maujhi Phase II, DHPL signed a contract agreement with an Indian project management company dated November 16, 2006 for a total contract value of Rs. 2.50 million. The scope of work under the contract agreement includes provision for storage, insurance during construction, erection of equipment, testing and commissioning including performance and guarantee testing.

Contract Agreement - Supply

For Maujhi Phase II, DHPL signed a contract agreement with an Indian project management company dated November 16, 2006 for a total contract value of Rs. 50.00 million. The scope of work under the contract agreement includes providing assistance in the design, manufacture, testing, packing and forwarding of the plant and equipment.

As of March 31, 2010, Maujhi Phase II has incurred Rs. 421.16 million in implementation costs, and as a result we have experienced cost overruns in this project. For further details, see “Risk Factors - We face considerable execution risks with respect to our power projects under implementation and our planned power projects. If we are unable to commence operations of these projects as expected or at all, our business prospects, financial position and results of operations may be adversely affected”, and “History and Certain Corporate Matters” on pages 27 and 214, respectively.

Power Generation

The main generating equipment of Maujhi Phase II consists of two turbine generator sets manufactured by VA TECH Hydro of Austria. Each turbine generator set is capable of producing up to 2.5 MW of power.

Off-take Arrangements

Pursuant to an agreement dated May 27, 2009 with HPSEB, DHPL sells power generated from Maujhi Phase II at an average tariff rate of Rs. 2.50 per kWh. From January 2021, DHPL is obliged to provide 12.0% of power generated by Maujhi Phase II, free of cost, to HPSEB. This will increase to 18.0% of generated power in January 2039. DHPL will be required to pay liquidated damages to the HPSEB in case of any delay in synchronisation of the power project. This agreement is valid for 40 years from the date of synchronisation, effective January 18, 2009. As of March 31, 2010, we have not paid any penalty in relation to this agreement.

Operations and Maintenance

We expect our in-house team to be responsible for addressing the O&M requirements for Maujhi Phase II.

Power Evacuation

DHPL intends to deliver power generated from Maujhi Phase II using a 33 KV transmission line to Maujhi Phase I and onwards to the HPSEB Sidhpur sub-station.

Property

The Maujhi Phase I and II projects are located on approximately 17.04 acres of land owned by DHPL. This land was forest land and was granted to DHPL by the Ministry of Environment and Forests. In exchange for the grant, we are required to provide total compensatory forestation of 35.88 acres of degraded forest land.

Water Supply

The Maujhi Phase II hydroelectric project will be located on Maujhi Khad, a tributary of the Beas River. Maujhi Phase II is located 1.5 kilometres upstream from Maujhi I.

Insurance

DHPL currently maintains a constructions/erection risk policy.

Our Planned Power Projects

We define our planned power projects as those projects where the Board of Directors have approved the project and we either have possession of the required land or have identified a fuel source or we have received a letter of intent from a government entity awarding the project to us (or a consortium). During the planning phase, we may not have a sanction or commitment letter. Further, we may not have secured all required permits, licences, clearances or approvals from the relevant government authorities.

Ind-Barath Energy (Utkal) Limited - Expansion

This project is proposed to be built on land adjacent to the IBEUL Power Project that is currently under implementation in Jharsuguda, Orissa. This project is expected to be a coal-based power project with the capacity to generate up to 660.0 MW of power. We estimate that the total cost of this project will be Rs. 33,990.00 million.

Fuel Supply

Our primary source of fuel is expected to be coal. We intend to procure all of our coal from indigenous allocated coal blocks. Our annual fuel requirement for this plant is expected to be 3.79 million metric tonnes per annum at 100.0% PLF and an assumed gross calorific value of 3,360 kilocalories per kilogram of fuel. We have applied for a 100.0% domestic coal linkage to fulfil our fuel requirement.

Water Supply

The amount of water required by the IBEUL expansion is estimated to be 2,410 cubic metres per hour. These water requirements are expected to be met through water drawn from the Mahanadi River pursuant to a permission letter dated November 30, 2009 from the Department of Water Resources, Orissa, which allows for water use of up to 26 cubic feet per second.

Property

IBEUL plans to construct the IBEUL expansion on land adjacent to the IBEUL Power Project, which is currently under implementation. As of the date of this Draft Red Herring Prospectus, this land is yet to be acquired by IBEUL.

Ind-Barath Power (Madras) Limited – Expansion

This project is proposed to be built on land adjacent to the IBMPL Power Project that is currently under implementation in Thoothukudi, Tamil Nadu. This project is expected to be a coal-based power project with the capacity to generate up to 660.0 MW of power. We estimate that the total cost of this project will be Rs. 35,950.00 million.

Consortium Agreement

Our Company owns 83.7% of the equity in IBPML. Our Company entered into a consortium agreement on December 7, 2009 with Coastal Projects Private Limited (“Coastal”), pursuant to which, Coastal has a right to acquire up to 28.0% of the equity in IBPML. Under the agreement, our Company has undertaken responsibility for liaising with the Government of India to obtain the necessary approvals and consents for the IBPML Power Project and the expansion. All parties, including IBPML, regardless of their equity contribution, are jointly and severally liable for ensuring the individual and collective commitments of each member’s equity obligations. The agreement will remain in force for a period of 10 years.

Power Generation

We expect to use one boiler and turbine set manufactured by Cethar Vessels Limited and Harbin Turbine Company, respectively. IBPML’s planned power project is expected to be capable of super-critical pressure and is expected to have a total generation capacity of 1,320.0 MW, after expansion, with each boiler, turbine generator set capable of producing up to 660.0 MW.

Fuel Supply

Our primary source of fuel is expected to be coal. We intend to procure 70.0% of our coal requirement from domestic coal linkages and the balance 30.0% from imported coal. Our annual fuel requirement for this plant is expected to be 3.79 million metric tonnes per annum at 100.0% PLF and an assumed gross calorific value of 3,360 kilocalories per kilogram of fuel. We have applied for a domestic coal linkage to fulfil our fuel requirement.

Water Supply

The amount of water required by IBPML’s planned power project is estimated to be 4,800 cubic metres per day. These water requirements are expected to be met through sea water drawn from the Bay of Bengal, through an in-principle approval issued by the Tamil Nadu Maritime Board on June 8, 2009.

Property

IBPML intends to locate its expansion on an additional 140 acres of land adjacent to the IBPML Power Project currently under implementation in Thoothukudi, Tamil Nadu. As of the date of this Draft Red Herring Prospectus, this land is yet to be acquired by IBPML.

Arkay Energy (Rameswarm) Limited - Expansion

This project is proposed to be undertaken within the existing plant location of the AERL Power Project in Ramnathpuram, Tamil Nadu. This project is expected to be a natural gas-based power project with the capacity to generate up to 17.5 MW of power. We estimate that the total cost of this project will be Rs. 380.00 million.

Power Generation

The main generating equipment will consist of two diesel turbine generator sets manufactured by a European generator manufacturer, with a capacity of 8.73 MW each. In this regard, we have entered into an agreement dated June 5, 2010, for design, engineering and supply of gas generators for this project.

Fuel Supply

Our primary source of fuel is expected to be natural gas. Our fuel requirement for this plant is approximately 0.09 million standard metric cubic metres per day at 100.0% PLF and an assumed gross calorific value of 8,800 kilocalories per standard cubic metre of fuel.

Water Supply

The amount of water required by the project is estimated to be 20 cubic metres per day. The water requirements are expected to be sourced from a nearby desalination plant.

Property

AERL plans to construct the AERL expansion on the land which has been acquired for the AERL Power Project, which is currently under operation. As of the date of this Draft Red Herring Prospectus, no additional land is required to be acquired for this project.

Our Indonesian Mines

We, through our wholly owned Indonesian Subsidiary, PT Indbharath Energy, have entered into various agreements with Yuliani Zaemar and Nurul Primandini, Indonesian citizens, including powers of attorney and pledge agreements issued by Yuliani Zaemar and Nurul Primandini in favour of PT Indbharath Energy. Yuliani Zaemar and Nurul Primandini hold all the shares in three mining companies, PT Krisma Pusaka (“PT KPS”), PT Indbharath (“PT IB”) and PT Iwan Mining (“PT IM”). A share transfer to Yuliani Zaemar and Nurul Primandini, involving a fourth mining company, PT Berkas Benua Hampang (“PT BBH”), is currently underway. While suitable powers of attorney in favour of PT Indbharath Energy have been executed by Yuliani Zaemar and Nurul Primandini granting mining rights of PT KPS, PT IB and PT IM, similar legal formalities will be completed for the mining rights of PT BBH after the requisite approval for the transfer of shares, which is currently pending. Consequently, PT Indbharath Energy has the right to operate, or is in the process of acquiring the right to operate, the four mining entities.

We have also converted the current mining licenses held by the mining entities from *Kuasa Pertambangan* (“KPs”) to *Izin Usaha Pertambangan* (“IUPs”), a new form of license mandated by recently adopted regulations in Indonesia. In addition, the mining entities have applied for, but are yet to be granted, additional licenses to commence mining operations, including environmental licenses, nuisance permits, liquid waste disposal permits, hazardous and toxic waste management licenses and trade business licenses. Mining operations may only commence upon the issuance of such licenses by the appropriate regulatory authorities.

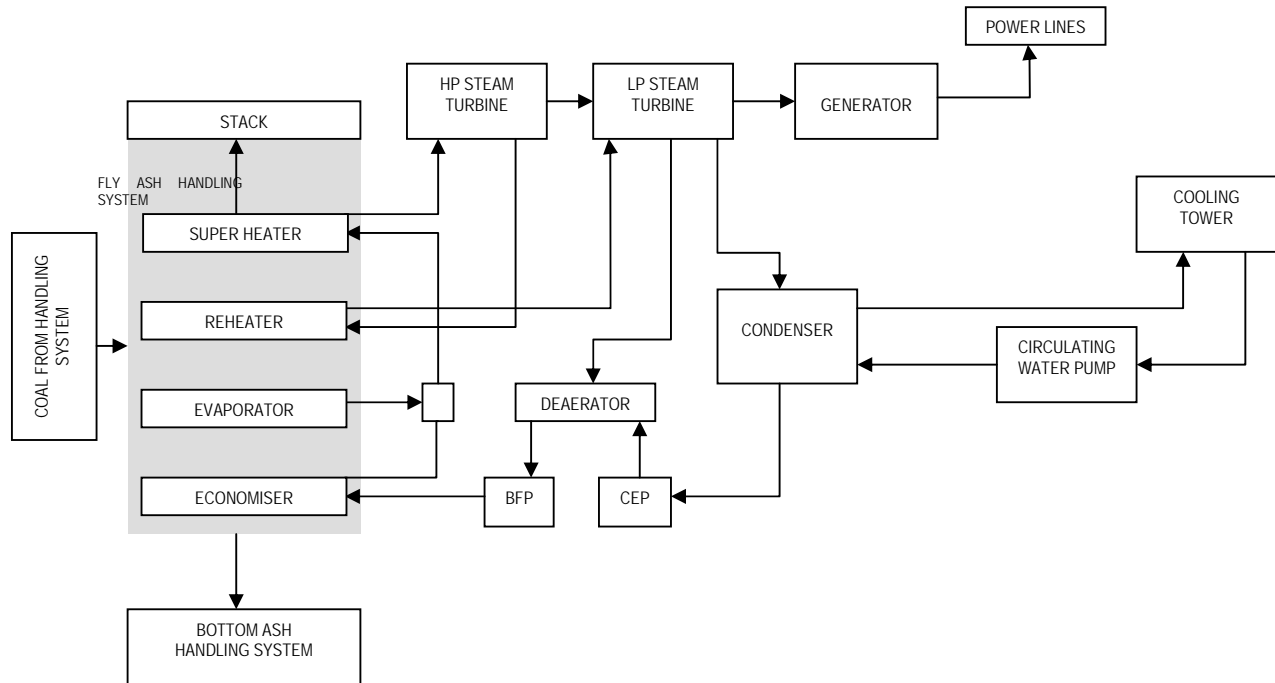
As per management’s estimates, the aggregate coal resources of PT KPS, PT IB, PT IM and PT BBH is 32.50 million metric tonnes. However, the assessment is only an estimate of the “in-situ” potential of the four entities’ concessions. In addition, resources are quantities of coal which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations. For further details, see “Risk Factors - Estimates of coal resources are subject to assumptions, and if the actual amounts or quality of such resources are less than estimated, our results of operations and financial condition may be adversely affected.” on page 26.

Power Generation Technology

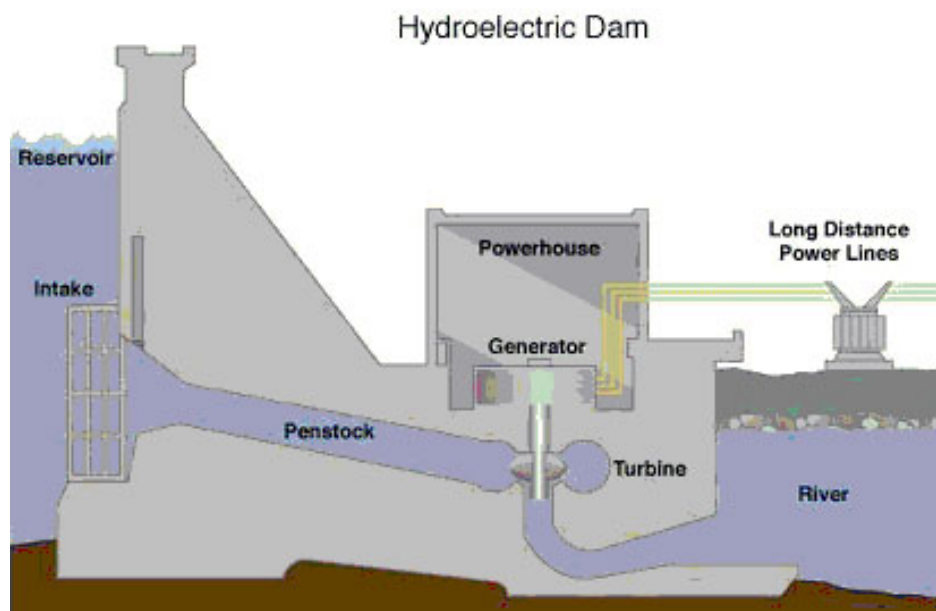
Our power projects currently use a range of power generation technologies including coal-based power, biomass-based power, natural gas-based power, wind power and hydroelectric power.

Our coal-based, biomass-based and natural gas-based power projects all use similar thermal-based power generation technology to generate power. The coal-based power generation process is illustrated below:

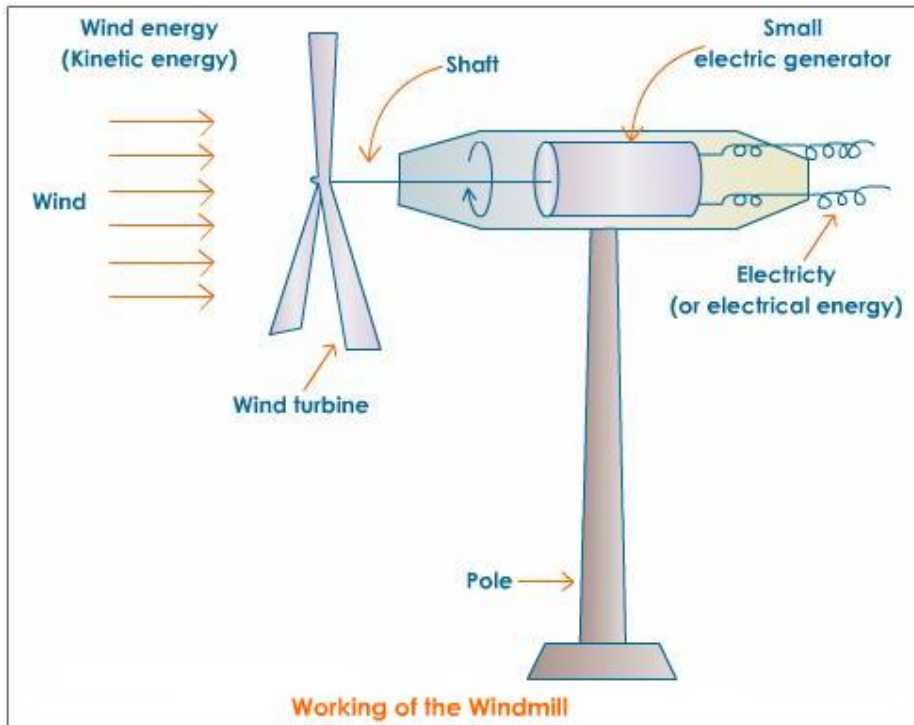
REHEAT & REGENERATION IN THERMAL POWER PLANT



DHPL's Maujhi I and Maujhi II projects are both hydroelectric-based power projects which use the power generation process illustrated below:



Our wind-based power project uses the power generation process illustrated below:



Employees

As of March 31, 2010, we had 658 full-time employees. Of our 658 employees, approximately 570 or 86.6% work in our power projects, and the remaining 93 or 13.4% are employed in administration and other capacities, as set out below.

Summary table of employees as of March 31, 2010:

Function	Number of Employees
Administration, Human Resources and Legal	134
Accounting and Finance	45
Information Technology	10
Operations and Technical	330
Business Development	10
Secretarial	5
Store Assistants	23
Civil	11
Electrical	45
Others	45
Total	658

Operations and Maintenance

Our O&M team comprises mechanical and electrical engineers, who operate at each of our projects, and technical experts based out of our corporate office. The team is supervised by our Director (Technical), Jagannath Mohapatra. The team is currently responsible for O&M functions at five of our operational power projects.

Marketing

Our marketing strategy attempts to market our power to various segments of power consumers. We directly market power supply to industrial captive consumers. Such consumers usually have a significant requirement for power in a particular location and are offered the opportunity to utilise our power on a dedicated captive basis. This offer usually entails our captive customers obtaining significant voting equity interests, but with limited dividend rights, in the subsidiaries operating the power projects.

We also offer solutions to groups of industrial captive consumers where each single customer's power requirements are not large enough to warrant dedicated power projects, but when taken in the aggregate, the demand could utilise our power projects. Similarly to individual industrial captive consumers, group industrial captive consumers take equity interests, in proportion to their off-take requirements, in the subsidiaries operating our power projects.

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 our employees, contractors, visitors and customers at our power projects. We intend to reduce waste and other harmful pollutants by maximising our recycling opportunities and by the careful use of materials, energy and other resources. Each of our power projects have staff members that ensure compliance with safety measures and standards. We oversee the implementation and compliance of these safety measures and standards.

We adopt fail-safe technology in all of our equipment as per international industrial safety standards. All of our power projects have integrated safety systems and emergency shutdown capabilities allowing for safe stoppage of the power projects under abnormal conditions. We have 24-hour, fire fight crews equipped with fire fighting equipment available at all of our projects.

Environmental Matters

We are committed to the protection of the environment and the promotion of responsible corporate policies. Prior to the commencement of any project, we undertake environmental impact studies to determine the consequences of the construction and operation of our power project at the selected site. The major pollutants likely to affect the environment at our projects include nitrogen oxide emissions, carbon dioxide emissions, sulphur dioxide emissions, liquid effluent waste, fly ash, thermal pollution and noise pollution generated during project operation. All of our operational power projects, power projects under implementation and planned power projects are or will be equipped with devices for the control of pollutants to meet standards published by the MoEF and Government of India. For example, we use CFBC technology at certain of our power projects. We also use renewable energy sources in powering our projects such as our hydroelectric power project, operated by DHPL and our wind power project operated by our Company.

The current clean development mechanism status of all renewable energy projects is indicated in the table below:

Project Company	Project	Status
DHPL	Maujhi I – 4.5 MW hydroelectric power project	Registered on November 6, 2005
RRREL	18.0 MW biomass-based power project	Registered on December 24, 2005
IBEL	6.0 MW biomass-based power project	Registered on April 14, 2007
IBETL	20.0 MW biomass-based power project	Registered on March 17, 2010
IBEML	20.0 MW biomass-based power project	Registered on April 22, 2010

For the fiscal year 2009 and the nine months ended December 31, 2009, our revenue from the sale of CERs was Rs. 11.43 million and Rs. 37.34 million, respectively.

In compliance with the Government of India's proposals to eliminate fly ash emissions by 2014, we have explored various alternatives for disposing of our fly ash. One alternative we are exploring is to sell fly ash to brick producers. For example, IBPGL has secured a selling rate for its fly ash of Rs. 100 per ton. However, as of March 31, 2010, IBPGL's commercial operations had only recently begun and IBPGL has not secured a firm agreement to sell fly ash.

We maintain operating standards that emphasise operational safety, quality maintenance, continuous training and we believe that our projects are in substantial compliance with applicable environmental laws and regulations. However, such laws and regulations are frequently changed and stricter requirements may be imposed in the future.

Property

The registered office of our Company is situated at Plot No. 30-A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500033, Andhra Pradesh. We have leased the property from IBEL pursuant to a rental agreement dated April 1, 2007. IBEL has, pursuant to a lease agreement dated August 27, 2007, leased the property from K. Rama Devi for a period of five years and the lease is set to expire in August 2012. We own or propose to purchase the land for our power projects.

Competition

Our competitors include domestic and international companies that are seeking to expand their power generation business. We face an increasingly competitive environment due to the deregulation of the Indian power sector. Such deregulation has led to large Indian business houses seeking to expand their presence in the Indian power sector, as well as attracting increased investment from international power companies that are keen on establishing themselves in the Indian market. Some of our competitors have more experience than us in the implementation and operation of power projects. In addition, a number of these companies may have greater resources at their disposal. We face competition with respect to bidding on and setting up new power projects and finding consumers for the power that our existing projects currently produce. For further details, see “Industry Overview” on page 124.

Intellectual Property

The Company has filed an application for registration of the mark associated with the name and logo appearing on the front cover page of the Draft Red Herring Prospectus.

DESCRIPTION OF CERTAIN KEY CONTRACTS

Given below is a brief description of key contracts in relation to the projects of our Company and its Subsidiaries:

Our Operational Power Projects

Ind-Barath Power Gencom Limited – 2 x 63 MW thermal project at Thoothukudi District in Tamil Nadu, India.

1. Share subscription cum shareholders agreement between PTC, IBPGL and the Company

IBPGL has entered into a share subscription cum shareholders agreement with PTC and our Company on August 23, 2008.

As per the terms of the agreement, PTC has agreed to subscribe up to 26% of the issued and paid up equity share capital of the IBPGL at par, for a consideration of up to Rs. 556.30 million.

PTC is entitled to a compounded annual return of 23.75% net of taxes on the investment amount pursuant to the agreement.

As per the terms of the agreement, the parties have a right of first refusal upon the other party seeking to sell, transfer, assign or dispose of any or all of the equity shares owned by it. PTC shall have a right to tag along if our Company at any point in time proposes to sell the shares of IBPGL to a third party such that its shareholding falls below 51%.

Under the agreement, PTC has a put option at any time within three years from the date of allotment of the equity shares of IBPGL to PTC, to sell the shares to our Company, and our Company has a call option to acquire equity shares of PTC within 30 days after the expiry of three years from the date of allotment of the equity shares of IBPGL to PTC.

PTC may appoint one director on the board of IBPGL for each block of 10% shareholding held by PTC in the paid up equity share capital of IBPGL.

The agreement provides for our Company and IBPGL to indemnify PTC against all liabilities arising out of breach of representations, warranties, covenants or agreements, failure to perform obligations under the agreement, fraud or misappropriations of funds by our Company and/ or IBPGL, and all claims resulting from the agreement and its implementation or for liability or default arising post the subscription of equity shares by the Investor.

2. PPA with PTC India

The PPA dated July 11, 2008 is between IBPGL and PTC India to sell a part of the capacity and output of the power generation undertaken by IBPGL.

Under the PPA, the obligations of IBPGL is to supply power up to a capacity of 190 MW to PTC India at the location committed by IBPGL for a period of five years from the date of commencement of the project, on the terms laid down in the PPA.

Under the PPA, PTC India will pay a tariff of Rs. 4.54 per kWh at the delivery point from the date of commencement of supply till May, 2011. PTC India will charge a margin of 4 paise per kWh or any trading margin fixed by CERC from time to time. In the event, PTC India is able to sell the power at a tariff which is higher than the average tariff of Rs. 4.50 per kWh plus the margin of 4 paise per kWh, then in such a case PTC India shall charge 5% of the difference in addition to its margin (towards service, advisory and market promotion charges of PTC India) and 95% of the difference will be passed on to IBPGL. The tariff of Rs. 4.50 per kWh will be reviewed by both parties before the commercial operation date of the project and depending upon the market conditions prevailing at that time.

IBPGL would allow a rebate of 2% on the purchase price if PTC India deposits its full payment to IBPGL bank account within 10 days of the presentation of the bill by IBPGL.

As per the PPA, IBPGL is obligated to schedule the power in full except in case of transmission constraints or force majeure. If IBPGL fails to schedule 80% of the declared energy in a quarter then IBPGL will pay compensation at the rate of 100 paise per kWh for the shortfall. Similarly if PTC India fails to offtake 80% of the declared energy in a quarter then PTC India will pay compensation at the rate of 96 paise per kWh for the shortfall.

The tariff post May, 2011 will be mutually agreed to between IBPGL and PTC India. All transmission charges, SLDC charges, transmission losses and all other applicable charges up to the delivery point will be borne by IBPGL. All charges beyond delivery point will be borne by PTC India.

3. Agreement for sale and purchase of coal with PT Indbharath Energy

The Agreement for sale and purchase of coal dated September 25, 2008 has been executed between IBPGL and PT Indbharath Energy to sell specified coal to IBPGL for a period of five years. At the end of such contract period, the arrangement can be renewed for further period of five years on mutually agreed terms and conditions.

As per the terms of the agreement, PT Indbharath Energy has agreed to sell and IBPGL has agreed to buy 750,000 tonnes (+ or - 10%) per year from November 2008 to October 2013 at a price of U.S.\$ 56.00 (CIF) per metric tonne as per an amendment agreement dated May 05, 2010, which may be adjusted as per the terms of the agreement, and the amendment agreement dated October 26, 2009, so as to ensure that the profit earned by PT Indbharath Energy from selling coal to IBPGL does not exceed U.S.\$ 5 per metric tonne. The title to the coal delivered and sold under the agreement shall pass to IBPGL upon payment of the price in full.

The agreement is valid until October 2013. The agreement can be terminated by either party by giving the other party not less than three months written notice. The agreement can be terminated by either party on the occurrence of the following events: (i) PT Indbharath Energy fails to deliver the coal in accordance with the terms of the agreement; (ii) IBPGL fails to pay the price in full, (iii) insolvency of IBPGL, (iv) IBPGL merges, amalgamates or transfers all or substantially all of its assets to another entity, or (v) IBPGL ceases to carry on business.

4. EPC Supply Agreement with Greenesol Power Systems Private Limited

The EPC supply agreement dated January 03, 2007 has been executed between IBPGL and Greenesol Power Systems Private Limited (“**Contractor**”) for supply of certain equipments including 2x63 MW steam turbine based power generating set, accessories and design, system engineering, procurement, quality contract, inspection, testing and forwarding of onshore items for setting up a 126 MW thermal power plant at Pudurpandiapuram, Ottapidaram Taluk, Thoothukudi District, Tamil Nadu for a contract price.

This agreement came into force on January 03, 2007. The agreement provides that the liquidated damages payable by the Contractor will be limited to 15% of the contract price.

Under the terms of this agreement, IBPGL has the option of terminating the agreement by giving a written notice of 15 days, for which IBPGL will be required to compensate the Contractor on the terms as laid down under the agreement.

5. *EPC Services Agreement with Greenesol Power Services Private Limited*

The EPC services agreement dated January 06, 2007 has been executed between IBPGL and Greenesol Power Services Private Limited (“**Contractor**”) for provision of certain services including port clearance of offshore equipments, inland transportation of offshore equipments, handling, storage at site, erection, pre commissioning, commissioning, training of IBPGL’s personnel, conducting performance test, stabilisation and hand over of 126 MW thermal power plant at Pudurpandiapuram, Ottapidaram Taluk, Thoothukudi District, Tamil Nadu to IBPGL for a contract price.

This agreement came into force on January 06, 2007. The agreement provides that the total liability of the Contractor will be limited to the contract price.

Under the agreement, the Contractor warrants that the equipment will be free from defects in workmanship for a period of twelve months from the date of successful completion of the performance test or eighteen months from the date of last receipt of the material whichever is earlier.

Under the terms of this agreement, IBPGL has the option of terminating the agreement by giving a written notice of 15 days, for which IBPGL will be required to compensate the Contractor on the terms as laid down under the agreement.

6. *Operation and Maintenance Agreement with Operational Energy Group India Private Limited*

The operation and maintenance agreement dated June 26, 2007 (“**O&M Agreement**”) has been executed between IBPGL and Operational Energy Group India Private Limited (“**Contractor**”). Under this agreement the Contractor has agreed to provide operation and maintenance of the 2 x 63 MW thermal plant at Thoothukudi District in Tamil Nadu.

Under the terms of the O&M Agreement, the obligations of the Contractor, inter alia, include providing competent and skilled staff for the operation and maintenance of the plant and maintaining strict discipline and good order amongst its personnel and its sub-contractors.

IBPGL will pay the Contractor a one time non-refundable mobilising fee and an annual operating fee in accordance with the terms of the agreement. Such annual operating fee shall be increased by 5% every year till end of the contract period of 10 years. The agreement also provides that the liability of the Contractor will be limited to 10% of the annual operating fee.

The O&M Agreement came into force on June 26, 2007 and is effective for a period of 5 years from the date on which the Contractor takes over the facility as per the terms of the O&M Agreement.

The agreement can be terminated by either party in the event of bankruptcy, force majeure, breach of the terms of the agreement by giving 90 days notice to the other party. Neither party can assign this agreement to its affiliate or third party without the prior written consent of the other party.

Arkay Energy (Rameswarm) Limited - 95.3 MW gas based power plant at Ramnad District, Tamil Nadu

1. *PPA with PTC India*

The PPA dated April 06, 2009 (“**PPA**”) between AERL and PTC India to sell a part of the capacity and output of the power generation undertaken by AERL through the 95.3 MW gas based power plant at Valantharavi Village, Ramnathapuram Taluk, Ramnad District, Tamil Nadu, which it owns, operates and maintains.

Under the PPA, the obligations of AERL are to supply power up to the capacity contracted at the location committed by AERL on the terms laid down in the PPA. As per the PPA, AERL is willing to sell PTC India 15 MW power for the period from April 06, 2009 to April 14, 2009 and 5 MW power for the period from April 14, 2009 to May 31, 2009. AERL is obligated to schedule 80% of the declared energy in a month as arrived and PTC India is obligated to offtake the same. If AERL fails to schedule 80% of the declared energy in a month then AERL will pay compensation at the rate of Rs. 2.00 kWh for the shortfall. Similarly if PTC India fails to offtake 80% of the declared energy in a month then PTC India will pay compensation at the rate of Rs. 1.96 kWh for the shortfall.

Under the PPA, PTC India will pay a tariff of Rs. 6.66 per kWh at the delivery point from the date of commencement of supply till May 31, 2009. The tariff post May 31, 2009 will be mutually agreed to between AERL and PTC India. All transmission charges, SLDC charges, transmission losses and all other applicable charges up to the delivery point will be borne by AERL. All charges beyond delivery point will be borne by PTC India. Any supply by AERL 20% above the contracted quantum is permissible at the tariff rate prescribed in the PPA.

The PPA will remain in force up to March 31, 2012. The PPA may be terminated by either party in the event of breach by either party of the terms of the PPA, either party acts in a manner vitiating the intent and purpose of the PPA, PTC India fails to make payment for a continuous period of three months and AERL fails to supply continuous power for a period of one month without any reasonable cause.

2. Supplementary Agreement to the PPA with PTC India

The supplementary agreement dated October 22, 2009 has been executed between AERL and PTC India to amend certain terms of the PPA dated April 06, 2009 executed between the parties for a supply power generated by AERL, from July 01, 2009. The Supplementary Agreement is valid up to March 31, 2014. Under the terms of the Supplementary Agreement, AERL is required to supply 45 MW as the contracted quantity per month from July 2009 to May 2010.

The tariff under the PPA is revised and will be Rs. 5.90 per kWh at delivery point till May 31, 2010 and tariff beyond May 31, 2010 will be as mutually agreed between the parties. AERL is obligated to schedule 80% of the contracted energy in a month and PTC India is obligated to offtake the same. If AERL fails to schedule 80% of the contracted energy in a month then AERL will pay compensation at the rate of Rs. 1.79 kWh for the shortfall. Similarly if PTC India fails to offtake 80% of the contracted energy in a month, then PTC India will pay compensation at the rate of Rs. 0.96 kWh for the shortfall. Any over supply by AERL of up to 10% over and above the contracted amount is allowed, at a tariff as indicated under the Supplementary Agreement.

AERL has by letter dated March 22, 2010, entered into a fresh arrangement for supply of additional 30 MW of power to PTC India from March 13, 2010 to May 31, 2010 at the rate of Rs. 5.45/kWh. As per the terms of the letter, AERL is obligated to schedule 90% of the contracted energy in a month and PTC India is obligated to offtake the same. If AERL fails to schedule 90% of the contracted energy in a month then AERL will pay compensation at the rate of Rs. 1.04 kWh for the shortfall. Similarly if PTC India fails to offtake 90% of the contracted energy in a month, then PTC India will pay compensation at the rate of Rs. 0.96 kWh for the shortfall.

3. Power Supply Agreements with captive consumers holding equity shareholding in AERL

AERL has executed an agreement with certain entities whereby it has agreed to supply power generated through TNEB's grid, to its equity shareholders also being captive consumers.

As consideration for the supply, the captive consumer has agreed to make monthly payment for the monthly consumed energy at the prevailing TNEB tariff (i.e., energy charges and applicable electricity tax) less a specified percentage (usually between 10 to 12.5%) on TNEB prevailing energy charges. Further, in terms of each such agreement, the captive consumer is obligated to invest an agreed amount of equity into AERL.

Each agreement is valid for a period of 6 years from the date of agreed date of commencement of supply (each agreement specifies an outer limit of such start date). The agreement is also renewable for additional periods on mutually agreed terms and conditions. This agreement is however, co-terminus with the wheeling agreement executed between AERL and the TNEB. In the event of a termination, AERL is required to arrange for the swap of the equity held by the captive consumer in AERL, at par, with any other person, or the promoter of AERL.

During the term, (i) AERL can terminate the agreement if the captive consumer has failed to make payments beyond 7 days from its due date and provided that AERL is in compliance with the agreement and has made a demand for the payment; (ii) the captive consumer can terminate if AERL consistently defaults on supply for 3 months and provided that captive consumer is in compliance with the agreement and has made a demand for the payment; (iii) either party can also terminate by providing 180 days prior notice if the other commits a material breach of the agreement and fails to cure for 30 days; (iv) either party can also terminate without cause and upon payment of a mutually agreed amount of compensation (which shall not exceed the loss suffered by the party at the time of termination); and (v) on the occurrence of identified events of default which includes a delay in the date of commencement of supply beyond a specified period (typically between 120 to 180 days of delay).

Upon the expiry of the term of the agreement, either party that intends to terminate can do so at the end of the 90 day period following the expiry of the 6 year term (by providing 90 days prior notice), failing which the agreement shall stand automatically renewed.

Each party is prohibited from disclosing any information in relation to the project up to a period of 3 years from the termination of this agreement.

AERL has entered into equity subscription cum power supply agreements with certain captive consumers. These agreements are currently a subject matter of litigation. For further details refer to the section titled "Outstanding Litigation and Other Material Developments" on page 413.

4. *Gas Supply arrangement with Gas Authority of India Limited ("GAIL")*

The gas supply agreement between the AERL, Arkay Energy Limited (now known as Penna Electricity Limited) and GAIL is governed in terms of the following contracts: (i) Gas Supply Contract dated December 16, 1999 between GAIL and Arkay Energy Limited, as amended from time to time; (ii) Amendments to this gas supply contract dated March 09, 2001; October 15, 2001, March 27, 2003 and August 27, 2004; (iii) side letters executed dated May 02, 2005 and June 28, 2005 (iii) Tripartite agreement dated December 28, 2005 between GAIL, Arkay Energy Limited and AERL for the transfer of a gas supply contract for a quantity of 0.292 MMSCMD from Arkay Energy Limited to AERL. (collectively, the "**Arkay Gas Supply Arrangement**")

Pursuant to the scheme of demerger of Arkay Energy Limited approved by the High Court of Andhra Pradesh, the additional gas allocation of 0.292 MMSCMD given by the Ministry of Petroleum and Natural Gas and incorporated in the Arkay Gas Supply Arrangement by amendment agreement dated August 27, 2004, stood transferred to AERL, the demerged entity, incorporated in line with the in-principle sanction of the TNEB. Thereafter the Ministry of Petroleum and Natural Gas by its letter dated December 26, 2005 conveyed that the ministry had no objection in GAIL entering into the above mentioned tripartite agreement for the assignment/transfer of the gas supply contract (referred above) for the quantity of 0.292 MMSCMD from Arkay Energy Limited to AERL.

Thus, presently, as per the AERL Gas Supply Arrangement, AERL has agreed to purchase natural gas from GAIL and GAIL has agreed to sell and deliver a total contracted quantity of 0.292 MMSCMD of gas based on letters issued by the Ministry of Petroleum and Natural Gas for the power plant of AERL located at Valantharavi village in Ramnad, Ramnathapuram District, Tamil Nadu. This contract is valid until December 31, 2010. The supply of gas under the contract would commence on February 15, 2003 or from an earlier date that may be mutually acceptable to both parties. At the end of such contract period, the arrangement can be renewed for further periods on mutually agreed terms and conditions.

GAIL is permitted to fix the price of the gas as per directives and orders issued by the Government of India from time to time. In addition, under the terms of the AERL Gas Supply Arrangement AERL is required to pay monthly transmission charges of Rs. 887,258 for the purchase of 0.292 MMSCMD of gas. Applicable corporate income tax is also levied on these transmission charges. AERL has under this contract, agreed to pay the stipulated monthly transmission charges regardless of total, partial or non-supply of any quantity of gas during the relevant month. To secure its payment obligations under this agreement, AERL is required to open and maintain at its cost an irrevocable revolving standby letter of credit with the State Bank of India, for the entire period of the contract.

Under the arrangement, GAIL has agreed to supply a maximum of 292,000 standard cubic meters per day. 80% of monthly quantity is to be the minimum guaranteed offtake and AERL agrees to pay for the same.

Either party is permitted to require a shut down of supply for up to 15 days in a year. The failure of ONGCL to supply gas to GAIL is a force majeure event under this agreement. AERL is not permitted to sell gas to any other person nor allowed to use the gas for any other purpose other than that which is contemplated under contract.

Each party is permitted to assign all its rights and obligations at any time to an associated company or corporation.

All disputes under the contract are to be referred to a sole arbitrator selected by AERL from a panel of three arbitrators proposed by GAIL.

5. Term Sheet for gas sale with GAIL (India) Limited

AERL has entered into a term sheet for the sale and purchase of natural gas with GAIL on July 15, 2008. GAIL shall supply natural gas on or before July 26, 2008. As per its terms, GAIL shall deliver the natural gas at the delivery point.

The daily contracted quantity of natural gas is 0.078 MMSCMD from January 1, 2010 till the end of the term of the contract i.e December 31, 2013, with allowance for a maximum of 10% variation from the average hourly rate, on an hourly basis. AERL is liable to pay for the higher of the actual quantity of gas taken or 80% of the monthly contracted quantity, adjusted with quantities not supplied by GAIL.

The gas price is Rs. 8,500.00/ 1000 SCM, on an ex ONGCL installation basis, applicable till October 31, 2009, post which the price of natural gas will be the agreed price between GAIL and ONGCL, inclusive of royalty but exclusive of sales tax and all other levies, transmission charges, marketing margin. In the event the gas supply is beyond 0.292 MMSCMD, AERL shall also pay a unit rate transmission charge of Rs. 111.00/ 1000 SCM, a marketing margin of Rs. 222.00/ MSCM till October 31, 2009 after which GAIL is entitled to revise the margin, and taxes and duties levied either by central or state Governments or local bodies. AERL shall be liable to pay 120% of the highest priced gas supplied to it in case of any unauthorised overdrawal of gas.

The term sheet may be terminated by GAIL if AERL uses the gas for purposes other than agreed to between the parties or for insolvency or bankruptcy of AERL, or by either party if there is breach in any of the terms of the term sheet, or upon the occurrence of a force majeure event for a continuous period of 3 months.

6. Operation and Maintenance Agreement with Wartsila India Limited

AERL has executed an operation agreement with Wartsila India Limited on March 14, 2005. Under the terms of this agreement, Wartsila has agreed to operate power facilities of AERL. AERL appointed Wartsila to maintain the facilities in accordance with the terms and conditions of a maintenance agreement executed separately.

Under the agreement, Wartsila is required to operate AERL's facilities on a day-to-day basis, including associated mechanical electrical, fuel handling, water treatment equipment, fire fighting equipment and all facility connections. Wartsila is also required to ensure that all manpower deployed performs the agreed obligations in accordance with the manufacturer's and systems designer's specifications, an agreed annual operation plan and operation manuals. In addition, Wartsila is responsible to secure (including renewals) and ensure compliance with all labour permits and licenses required by AERL and also assist with securing other permits needed for the operation of the facilities.

The consideration payable by AERL to Wartsila under this agreement includes: (i) a non-refundable mobilisation fee of Rs. 4.50 million; and (ii) fixed annual operation fees in monthly installments. For any delay in payments, AERL is liable to pay interest at 2% per annum over the prime lending rate prescribed by the State Bank of India.

The maximum aggregate liability of Wartsila, its sub-contractors, agents and employees towards AERL for any given year under this agreement is limited to 20% of the fixed operations fee of the relevant operating year. Also, neither party shall have any recourse under the agreement and no claim shall be made against any shareholder, director, officer or other affiliate of the defaulting party in such capacity and each party's sole recourse in the event of a breach is against the breaching party's assets only.

Unless terminated earlier, the agreement is valid for a period of ten operating years from the takeover date, which is the date on which Wartsila takes over the facilities of AERL in terms of associated contracts executed by AERL with Wartsila Finland Oy, Wartsila and Greenesol Power Systems Private Limited. The term may be extended by a further period of five years if mutually agreed by the parties.

Under the terms of the agreement, each party has to terminate the agreement *inter alia*, by providing at least 90 days prior notice, on the occurrence of a material breach by the other party, which has not been cured within a period of 60 days of being brought to notice of the same by the non-defaulting party. Also, this agreement is co-terminus with the maintenance agreement.

7. Maintenance Agreement with Wartsila India Limited

AERL has executed a maintenance agreement with Wartsila India Limited on March 14, 2005. Under the terms of this agreement, Wartsila has agreed to maintain power facilities of AERL.

Under the agreement, Wartsila is required to essentially maintain AERL's facilities on a day-to-day basis. Wartsila is also required to ensure that all manpower deployed performs the agreed obligations in accordance with the manufacturer's and systems designer's specifications, an agreed annual maintenance plan and maintenance instruction manuals.

The consideration payable by AERL to Wartsila under this agreement is by way of fixed annual maintenance fees, payable on a monthly basis in each relevant contract year and applicable service tax. For any delay in payments, AERL is liable to pay interest at 2% per annum over the prime lending rate prescribed by the State Bank of India.

The maximum aggregate liability of Wartsila, its sub-contractors, agents and employees towards AERL for any given year under this agreement is limited to 20% of the fixed maintenance fee of the relevant contract year. Also, neither party shall have any recourse under the agreement and no claim shall be made against any shareholder, director, officer or other affiliate of the defaulting party in such capacity and each party's sole recourse in the event of a breach is against the breaching party's assets only.

Unless terminated earlier the agreement is valid for a period of ten operating years from the takeover date, which is the date on which Wartsila takes over the facilities of AERL in terms of associated contracts executed by AERL with Wartsila Finland Oy, Wartsila and Greenesol Power Systems Private Limited. The term may be extended by a further period of five years if mutually agreed by the parties.

Under the terms of the agreement, each party has to terminate the agreement *inter alia*, by providing at least 90 days prior notice, on the occurrence of a material breach by the other party, which has not been cured within a period of 60 days of being brought to notice of the same by the non-defaulting party. Also, this agreement is co-terminus with the operation agreement. Also, Wartsila is entitled to terminate the agreement in the event that AERL fails to make any payments to Wartsila within 30 days of it becoming due.

8. Supplementary Operation & Maintenance Agreement with Wartsila India Limited

Further to the operation and maintenance agreement, AERL has executed a supplementary operations and maintenance agreement dated January 30, 2009 with Wartsila India Limited to extend the principal operation and maintenance agreement by a period of 8 years with effect from July 19, 2008. Accordingly, the supplementary agreement prescribes revised operation and maintenance fees for each such extended contract year. This agreement stipulates that the principal agreements may be extended by a further period of 5 years on the expiry of the extended 8 year period.

Ind-Barath Energies (Thoothukkudi) Limited - 20 MW bio-mass based project at Tuticorin district in Tamil Nadu, India

1. *PPA between PTC India and IBETL*

IBETL has entered into a PPA dated April 06, 2009 with PTC India. Under the agreement, IBETL shall supply 10 MW power for the period from April 6, 2009 to May 31, 2009 to PTC India.

Under the PPA, the tariff for the power supplied shall be Rs 6.66 per kWh on a net basis, whereby all taxes, duties, and cess on the generation of power, if any, leviable for such transaction in the state of Tamil Nadu shall be settled directly between TNEB and IBETL at the delivery point set out in the agreement from the date of commencement of supply set out in the PPA till May 31, 2009. The PPA provides that tariff beyond May 31, 2009 shall be mutually discussed and agreed upon thereafter. The tariff rates are for the energy delivered at the delivery point. The PPA is valid up to March 31, 2012.

IBETL shall bear all transmission charges, SLDC charges, transmission losses and/ or any other applicable charges up to the delivery point. All transmission charges and transmission losses, RLDC and SLDC charges and other charges beyond the delivery point will be borne by PTC India.

PTC India shall make payment under the PPA as is set out in the terms of payment provided in the agreement, and shall provide an irrevocable letter of credit to 45 days peak billing of contracted energy which is valid up to 15 days from the last date of dispatch as a payment security mechanism.

IBETL shall allow 2% rebate on the purchase price if PTC India deposits full payment in IBETL's bank account within 10 days of presentation of the bill, and a surcharge of 15% shall be applied on all payments that remain outstanding after 30 days of PTC India receiving the bill from IBETL.

IBETL shall pay compensation of Rs 2 per kWh if it fails to schedule 80% of declared energy in a month to PTC India, and if PTC India fails to offtake 80% of the declared energy in a month, then PTC India shall pay compensation of Rs 1.96 per kWh per month to IBETL for the shortfall which falls short of 80% of the energy. For any over supply by IBETL of up to 20% over and above the contracted quantum, PTC India shall pay tariff at Rs 6.66 per kWh as is set out in the agreement. PTC India shall not be responsible for any unscheduled interchange, reactive energy charge, and maximum demand charge liability under the agreement.

In case TNEB is not willing to purchase power beyond May 31, 2009, PTC India will endeavour to sell power under inter-state open access on mutually agreed terms and conditions, subject to the approval of inter state open access by the concerned authorities. Import of power by IBETL from TNEB shall be settled directly between TNEB and IBETL.

2. *Supplementary Agreement to the PPA with PTC India*

The supplementary agreement dated October 22, 2009 has been executed between IBETL and PTC India to amend certain terms of the PPA dated April 09, 2009 executed between the parties. The supplementary agreement is valid up to March 31, 2014. The contracted quantity has increased from 10 MW to 15 MW from September 2009 to May 2010 and 1 MW in July 2009 and 2 MW in August 2009.

The tariff under the PPA is revised and will be Rs. 5.90 per kWh at delivery point till May 31, 2010 and tariff beyond May 31, 2010 will be as mutually agreed between the parties. IBETL is obligated to schedule 80% of the contracted energy in a month and PTC India is obligated to offtake the same. If IBETL fails to schedule 80% of the contracted energy in a month then IBETL will pay compensation at the rate of Rs. 1.79 per kWh for the shortfall. Similarly if PTC India fails to offtake 80% of the contracted energy in a month then PTC India will pay compensation at the rate of Rs. 0.96 per kWh for the shortfall. Any over supply by IBETL of up to 10% over and above the contracted amount is allowed, at a tariff as indicated under the Supplementary Agreement. All other terms of the PPA remain unchanged.

Ind-Barath Energies (Maharashtra) Limited - 20 MW bio-mass based project at Nanded District in Maharashtra, India

1. *Biomass energy purchase agreement with Maharashtra State Electricity Distribution Company Limited (“MSEDCL”)*

The biomass energy purchase agreement dated October 18, 2006 was executed between IBEML and MSEDCL to sell a part of the capacity and output of the power generation undertaken by IBEML through its 20 MW bio-mass based project at Nanded District in Maharashtra, which it owns, operates and maintains.

Under the agreement, the obligations of IBEML are: (i) to achieve the completion of the project within 24 months from the date of the agreement, (ii) to provide MSEDCL Rs. 100,000.00 per annum as administrative charges, (iii) to provide 50% of the cost of evacuation facilities as an interest free advance to MSEDCL for voltage level up to 33 KV and to MSETCL for voltage level above 33 KV, as the case may be, (iv) to provide an amount equivalent to 15% of the cost of labour component that would have been employed by MSEDCL/MSETCL for carrying out the work in respect of synchronising arrangements as supervision charges.

The agreement will remain in force until the 13th anniversary of the commercial operations date, unless renewed by mutual agreement in writing.

The tariff rate and structure provided under the agreement will be applicable to the facility commissioned by March 31, 2010 or until the installed planned capacity based on biomass reaches 250 MW, whichever is earlier. As per the agreement, the tariff rate for the first year of operation is Rs. 3.04 per kWh and for the 13th year of operation is Rs. 3.43 per kWh.

Raghu Rama Renewable Energy Limited - 18 MW bio-mass based project at Ramnad District in Tamil Nadu, India.

1. *PPA with PTC India*

The PPA dated April 06, 2009 between RRREL and PTC India to sell a part of the capacity and output of the power generation undertaken by RRREL through the 18 MW bio-mass based power project at Paramakudi Village, Ramnad District in Tamil Nadu, which it owns, operates and maintains. As per the PPA, the contracted quantity of power is 10 MW till May 31, 2009.

Under the PPA, the obligations of RRREL are to supply power up to the capacity contracted at the location committed by RRREL on the terms laid down in the PPA. RRREL is obligated to schedule 80% of the declared energy in a month as arrived and PTC India is obligated to offtake the same. If RRREL fails to schedule 80% of the declared energy in a month then RRREL will pay compensation at the rate of Rs. 2.00 per kWh for the shortfall. Similarly if PTC India fails to offtake 80% of the declared energy in a month then PTC India will pay compensation at the rate of Rs. 1.96 per kWh for the shortfall.

Under the PPA, PTC India will pay a tariff of Rs. 6.66 per kWh at the delivery point from the date of commencement of supply till May 31, 2009. The tariff post May 31, 2009 will be mutually agreed to between RRREL and PTC India. All transmission charges, SLDC charges, transmission losses and all other applicable charges up to the delivery point will be borne by RRREL. All charges beyond delivery point will be borne by PTC India. Any supply by RRREL 20% above the contracted quantum is permissible at the tariff rate prescribed in the PPA.

The PPA will remain in force up to March 31, 2012. The PPA may be terminated by either party in the event of breach by either party of the terms of the PPA, either party acts in a manner vitiating the intent and purpose of the PPA, PTC India fails to make payment for a continuous period of three months and RRREL fails to supply continuous power for a period of one month without any reasonable cause.

2. Supplementary Agreement to the PPA with PTC India

The supplementary agreement dated October 22, 2009 has been executed between RRREL and PTC India to amend certain terms of the PPA dated April 06, 2009 executed between the parties. The Supplementary Agreement is valid up to March 31, 2014. Under the Supplementary Agreement, the contracted quantity of power has been increased to 12 MW from July 2009 to May 2010.

The tariff under the PPA is revised and will be Rs. 5.90 per kWh at delivery point till May 31, 2010 and tariff beyond May 31, 2010 will be as mutually agreed between the parties. RRREL is obligated to schedule 80% of the contracted energy in a month and PTC India is obligated to offtake the same. If RRREL fails to schedule 80% of the contracted energy in a month, then RRREL will pay compensation at the rate of Rs. 1.79 kWh for the shortfall. Similarly if PTC India fails to offtake 80% of the contracted energy in a month then PTC India will pay compensation at the rate of Rs. 0.96 kWh for the shortfall. Any over supply by RRREL of up to 10% over and above the contracted amount is allowed, at a tariff as indicated under the Supplementary Agreement. All other terms of the PPA remain unchanged.

Ind-Barath Energies Limited - 6 MW biomass based power project at Nalgonda District in Andhra Pradesh.

1. Power Wheeling and Purchase Agreement with the Andhra Pradesh State Electricity Board

The power wheeling and purchase agreement dated January 04, 1999 has been executed by IBEL and the Andhra Pradesh State Electricity Board (“**APSEB**”) for availing of wheeling service for the transportation of the electrical power generated by its 6 MW bio mass based power project at Dilawarapur Road, Mriyalguda Village, Nalgonda District in Andhra Pradesh from the interconnection point to the consumers, from the APSEB for a wheeling charge of 2%. The power wheeling and purchase agreement provides that the surplus energy will be sold by IBEL to the APSEB for the tariff fixed by the Government of Andhra Pradesh in this regard from time to time.

Dharmshala Hydro Power Limited – 4.5 MW hydel project at Kangra District in Himachal Pradesh

1. Implementation agreement between the Governor of Himachal Pradesh and DHPL

DHPL has entered into an agreement with the Government of Himachal Pradesh on May 16, 2001 for the implementation of the 4.5 MW hydel project at Kangra District in Himachal Pradesh (“**Maujhi I Project**”).

As per the terms of the agreement, the Government of Himachal Pradesh has agreed to grant necessary permission to DHPL to establish, own, operate and maintain the Maujhi I Project for a period of 40 years from the commercial operations date of the project, with the option to grant further extension for a further period of 20 years after renegotiation of the terms and conditions of this agreement. The Maujhi I Project shall revert to the Government of Himachal Pradesh upon expiry of the extended period of 20 years, or if the extension is not granted, upon expiry of 40 years from the commercial operations date of the Maujhi I Project.

The Government of Himachal Pradesh shall provide DHPL all possible assistance and cooperation to expedite various statutory and non-statutory clearances in relation to the Maujhi I Project, and permit DHPL to collect and use boulders, stones, shingles, limestone and other building materials at the Maujhi I Project site.

The Government of Himachal Pradesh shall acquire land for the Maujhi I Project at the request and expense of DHPL, which the Government of Himachal Pradesh shall lease to DHPL as a long term lease for permanent works of the Maujhi I Project. The Government of Himachal Pradesh shall grant a short term lease on lands that DHPL may require to set up temporary works for the Maujhi I Project.

DHPL shall provide the Government of Himachal Pradesh 10% of the deliverable energy without cost as royalty for the usage of water by the Maujhi I Project, failing which the Government of Himachal Pradesh may terminate this agreement. DHPL shall not be liable to pay any wheeling or transmission charges in relation to energy supplied to the Government of Himachal Pradesh as royalty for usage of water by the Maujhi I Project. DHPL shall be responsible to evacuate power from the Maujhi I Project up to the Himachal Pradesh State Electricity Board (“**HPSEB**”)/ regional grid sub station. However, such royalties are waived for a period of 15 years from the commercial operations date where power is supplied to the HPSEB.

As per the terms of the agreement, after adjustment of the free energy provided to the Government of Himachal Pradesh, DHPL may sell the energy to the HPSEB, make captive use of the energy generated for its existing/new industry within Himachal Pradesh, or for captive use outside Himachal Pradesh provided DHPL enters into an agreement with HPSEB for captive use of the energy. DHPL however is not allowed to carry out third party sale within Himachal Pradesh.

2. PPA between Dharamshala Hydro Power Limited and Himachal Pradesh State Electricity Board

DHPL has entered into a PPA dated July 09, 2002 with the Himachal Pradesh State Electricity Board (“**HPSEB**”) to sell the entire electric energy received from the Maujhi I Project to HPSEB. This electric energy sold shall not include the government supply of 10% of the total power generated. The 10% of the deliverable energy shall be free of cost in the nature of royalties from the date falling 15 years from the date of synchronisation of the Maujhi I Project.

Under the PPA, the tariff for the power supplied shall be at a fixed rate of Rs. 2.50 per kWh DHPL will prepare monthly bills for the saleable deemed generation and net saleable energy delivered at the interconnection point, and HPSEB shall reimburse all statutory taxes, levy, duties, cess, or any other kind of impositions imposed/charged by the central or state government or local bodies/ authorities on the generation of electricity, based on the quantum of net saleable energy. HPSEB shall make payment within 30 days of receipt of the bills from DHPL. HPSEB shall maintain a confirmed, irrevocable letter of credit for a sum of Rs. 1.00 million in favour of DHPL as a backup arrangement for HPSEB making payment to DHPL for a period of 36 months, and thereafter at the beginning of each financial year.

DHPL shall allow rebate of 1.5% of the gross amount of the bill if payment of the bill is made in full or in part on within the date on which payment is due. However, if HPSEB fails to make payment of the bill to DHPL within the due date, the unpaid amount shall bear interest of 1.5% per month.

The PPA is valid for a term of 40 years from the synchronisation date of the first unit of the Maujhi I Project, unless terminated earlier by DHPL for an HPSEB event of default as per the terms of the PPA, or by HPSEB for a DHPL event of default as per the terms of the PPA.

As per the terms of the PPA, if this PPA is terminated by HPSEB due to a DHPL event of default, HPSEB may cause DHPL to sell the Maujhi I Project to HPSEB at the sale price equal to the depreciated cost of the Project reduced on a prorata basis in the ratio of capacity of the units of the Maujhi I Project on the date of termination to the capacity of the units of the Maujhi I Project on the commercial operations date. HPSEB may exercise this right within 120 days of termination of the PPA due to the DHPL event of default.

As per the terms of the PPA, Promoter may sell equity shares of DHPL to a new entity subject to the condition that Promoters retains at least 51% of the equity of the new entity.

Our Company - 0.75 MW power project at Idukki District, Kerala

1. PPA with Kerala State Electricity Board

The PPA dated March 26, 2008 has been executed between our Company and the Kerala State Electricity Board (“**KSEB**”) for the sale of power by our Company from its 750 Kw wind mill project located at Ramakkalmedu, Karnapuram Village, Udumbanchola Taluk, Idukki District, Kerala. The PPA is valid for a period of 20 years from the commercial operations date.

Our Company has agreed to sell and KSEB has agreed to buy the entire energy made available by our Company at the interconnection point at the tariff of Rs.3.14 per kWh for the entire term of the PPA. In respect of sale of infirm energy if any, KSEB will pay a tariff of Rs. 0.25 per kWh.

KSEB may terminate the PPA on the occurrence of the following event by giving a 30 days notice to our Company: (i) project deviates from the technical proposal clearance, (ii) our Company fails to maintain and operate the project in accordance with the terms of the PPA, (iii) our Company fails to comply with dispatch instructions, (iv) material breach of any terms of the PPA; and (v) any of the representations and warranties given by our Company are false or misleading.

Our Company may terminate the PPA on the occurrence of the following event by giving a 30 days notice to KSEB: (i) material breach of any terms of the PPA, with 15 days cure period, (ii) KSEB has repudiated the PPA, (iii) KSEB fails to make payments for two consecutive months, and (iv) KSEB has delayed payment of tariff that has fallen due beyond two consecutive months without any lawful excuse.

2. *Maintenance, service and availability agreement with Vestas Wind Technology Private Limited (“Vestas”)*

Our Company has entered into a maintenance, service, and availability agreement dated on November 26, 2007 with Vestas for its 750 Kw wind mill located at P-254, Ramakalmedu Region, Idukki District, Kerala, to engage Vestas as contractor to provide maintenance in respect of the wind turbine generator and additional services to the Company.

Our Company will, post the warranty period of one year, pay price per wind turbine generator per year in two installments every six months for a period of four years, subject to an annual escalation of 7% from the previous year from the first anniversary from the commencement of the post warranty period. The price as per the agreement is exclusive of VAT, taxes and other duties and amounts to Rs 0.57 million for the first year of the post warranty period.

Vestas shall ensure local surveillance of the wind turbine generators. Vestas shall supply necessary consumables in accordance with the operation and maintenance manuals for the wind turbine generators. Vestas shall supply necessary spare parts for wind turbine generators including all costs related to the change of spare parts for wind turbine generators. Vestas shall supply necessary main components for wind turbine generators including all costs related to the change of main components for wind turbine generators.

Vestas shall supply necessary spare parts for the balance of the plant, and maintain and service internal high voltage lines as set out in the agreement. Vestas shall maintain site approach roads in a way and to an extent the conditions of the roads is/ are suitable for contractor to perform all services included in the agreement, for 60 months from the effective date of the agreement.

Vestas is liable to pay liquidated damages as set out in the agreement upon failing to meet the warranted average availability.

Our Company is obliged to obtain general insurance and a burglary policy to cover risks during the warranty period, and shall take other necessary insurance including a machinery break down policy, in addition to the general insurance and theft insurance post the warranty period. Vestas is obliged to follow up on outstanding insurance claims.

Our Power Projects Under Implementation

Ind-Barath Thermal Power Limited - 300 MW thermal power project at Thoothukudi District in Tamil Nadu

1. *EPC Supply Agreement with Greenesol Power Systems Private Limited*

The EPC supply agreement dated February 22, 2008 has been executed between IBTPL and Greenesol Power Systems Private Limited (“**Contractor**”) for supply of certain equipments including 2x150 MW steam turbine based power generating set, accessories and design, system engineering, procurement, quality contract, inspection, testing and forwarding of onshore items for setting up a 300 MW thermal power project at Thoothukudi District in Tamil Nadu for a contract price of Rs. 5,490.00 million.

This agreement came into force on February 22, 2008. The agreement provides that the liquidated damages payable by the Contractor will be limited to 15% of the contract price.

Under the terms of this agreement, IBTPL has the option of terminating the agreement by giving a written notice of 15 days, for which IBTPL will be required to compensate the Contractor on the terms as laid down under the agreement.

2. *EPC Services Agreement with Greenesol Power Services Private Limited*

The EPC services agreement dated February 22, 2008 has been executed between IBTPL and Greenesol Power Services Private Limited (“**Contractor**”) for provision of certain services including port clearance of offshore equipments, inland transportation of offshore equipments, handling, storage at site, erection, pre commissioning, commissioning, training of IBTPL’s personnel, conducting performance test, stabilisation and hand over of 300 MW thermal power project at Thoothukudi District in Tamil Nadu to IBTPL for a contract price of Rs. 450.00 million.

This agreement came into force on February 22, 2008. The agreement provides that the total liability of the Contractor will be limited to the contract price.

The Contractor warrants that the equipment will be free from defects in workmanship for a period of twelve months from the date of successful completion of the performance test or eighteen months from the date of last receipt of the material whichever is earlier.

Under the terms of this agreement, IBTPL has the option of terminating the agreement by giving a written notice of 15 days, for which IBTPL will be required to compensate the Contractor on the terms as laid down under the agreement.

3. *PPA with PTC India*

The PPA dated July 22, 2008 is between Ind-Barath Thermal Power Limited (formerly known as Ind-Barath Power (Karwar) Limited and PTC India to sell a part of the capacity and output of the power generation undertaken by IBTPL through the 300 MW thermal power project at Thoothukudi District in Tamil Nadu, which it owns, operates and maintains.

Under the PPA, the obligations of IBTPL are to supply power up to a capacity of 260 MW to PTC India at the location committed by IBTPL for a period of six years from the date of commencement of the project, on the terms laid down in the PPA. IBTPL is obligated to schedule 80% of the declared energy in a quarter as arrived and PTC India is obligated to offtake the same. If IBTPL fails to schedule 80% of the declared energy in a quarter then IBTPL will pay compensation at the rate of 100 paise per kWh for the shortfall. Similarly if PTC India fails to offtake 80% of the declared energy in a quarter then PTC India will pay compensation at the rate of 96 paise per kWh for the shortfall. The agreement is valid for a period of 6 years from the commercial operations date.

Under the PPA, PTC India will pay a tariff of Rs. 4.10 per kWh at the delivery point from the date of commencement of supply till September, 2012 plus the PTC margin of 4 paise per kWh. PTC India will charge a margin of 4 paise per kWh or any trading margin fixed by CERC from time to time. In the event, PTC India is able to sell the power at a tariff which is higher than the average tariff of Rs. 4.10 per kWh plus the margin of 4 paise per kWh, then in such a case PTC India shall charge 10% of the difference in addition to its margin (towards service, advisory and market promotion charges of PTC India) and 90% of the difference will be passed on to IBTPL. The tariff of Rs. 4.10 per kWh will be reviewed by both parties before the commercial operation date of the project and depending upon the market conditions prevailing at that time, the same may be revised to Rs. 4.50 per kWh.

IBTPL shall allow 2% rebate on the purchase price if PTC India deposits full payment in IBTPL’s bank account within 10 days of presentation of the bill, and a surcharge of 15% shall be applied on all payments that remain outstanding after 60 days of PTC India receiving the bill from IBTPL.

The tariff post September, 2012 will be mutually agreed to between IBTPL and PTC India. All transmission charges, SLDC charges, transmission losses and all other applicable charges up to the delivery point will be borne by IBTPL. All charges beyond delivery point will be borne by PTC India.

The PPA will remain in force up to the period the open access is provided by nodal RLDC.

4. Agreement for sale and purchase of coal with PT Indbharath Energy

The agreement for sale and purchase of coal dated May 15, 2008 has been executed between Ind-Barath Thermal Power Limited (formerly known as Ind-Barath Power (Karwar)) Limited and PT Indbharath Energy to sell specified coal to IBTPL for a period of three years. At the end of such contract period, the arrangement can be renewed for further period of three years on mutually agreed terms and conditions. The pricing mechanism was amended by an amendment agreement dated October 26, 2009.

As per the terms of the agreement as amended by the amendment agreement dated May 05, 2010, PT Indbharath Energy has agreed to sell and IBTPL has agreed to buy 940,000 tonnes (+ or - 10%) per year from September 2011 to February 2020 at a price of U.S.\$ 56.00 per metric tonne (CIF) up to August 2016 including insurance but excluding freight, with an escalation of 5% after 5 years, which may be adjusted as per the terms of the agreement and the amendment agreement dated October 26, 2009 between the parties such that the profit earned by PT Indbharath Energy is U.S.\$ 5 per metric tonne. The title to the coal delivered and sold under the agreement shall pass to IBTPL upon payment of the price in full.

The agreement is valid until October 2013. The agreement can be terminated by either party by giving the other party not less than three months written notice. The agreement can be terminated by either party on the occurrence of the following events: (i) PT Indbharath Energy fails to deliver the coal in accordance with the terms of the agreement; (ii) IBTPL fails to pay the price in full, (iii) insolvency of IBTPL, (iv) IBTPL merges, amalgamates or transfers all or substantially all of its assets to another entity, or (v) IBTPL ceases to carry on business.

Ind-Barath Energy (Utkal) Limited – 700 MW thermal power projects at Jharsuguda District in Orissa

1. Share subscription cum shareholders agreement between PTC, IBEUL and the Company

IBEUL has entered into a share subscription cum shareholders agreement with PTC and our Company on August 11, 2009.

As per the terms of the agreement, PTC has agreed to subscribe up to 13.19% of the issued and paid up equity share capital of the IBEUL at par, for a consideration of up to Rs. 1,050,000,000.00.

As per the terms of the agreement, the parties have a right of first refusal upon the other party seeking to sell, transfer, assign or dispose of any or all of the equity shares owned by it. PTC shall have a right to tag along if our Company at any point in time proposes to sell the shares of IBEUL to a third party such that the Company's shareholding falls below 51%.

PTC has a put option at any time within five years from the date of allotment of the equity shares of IBEUL to PTC, to sell the shares to our Company, and our Promoter has a call option to acquire equity shares of PTC within 30 days after the expiry of five years from the date of allotment of equity shares of IBEUL to PTC. PTC may appoint one director on the board of IBEUL for each block of 10% shareholding held by PTC in the paid up equity share capital of IBEUL.

Our Company and IBEUL shall indemnify the nominee director of PTC against all liabilities incurred due to any lapse/ omission/ act/ decision of IBEUL or the board/ committee of IBEUL. Our Company and IBEUL shall indemnify PTC against all liabilities arising out of breach of representations, warranties, covenants or agreements, failure to perform obligations under the agreement, fraud or misappropriations of funds by our Company and/ or IBEUL, and all claims resulting from the agreement and its implementation or for liability or default arising post the subscription of equity shares by PTC.

Further, PTC has by letter dated April 29, 2010, has agreed to waive its conversion right under the share subscription cum shareholders agreement dated August 11, 2009. The waiver is subject to the condition that in case the Company is not able to file this draft red herring prospectus within a period of three months from the issuance of the letter, or withdraws the proposed initial public offering, or is not allowed to bring the initial public offering within the timeframe allowed by SEBI and has to re-file the draft red herring prospectus, the conversion option of PTC will continue as agreed under the share subscription cum shareholders agreement dated August 11, 2009.

2. *Memorandum of Understanding with the Governor of Orissa*

IBEUL has entered into a memorandum of understanding with the Governor of Orissa on February 07, 2009 (“**MoU**”) for the setting up of the 700 MW thermal power plant at Sahajbahal, Jharsuguda, Orissa with a proposed investment of Rs 31,500.00 million. The Government of Orissa has agreed to assist IBEUL in obtaining necessary permissions and/ or registrations from concerned departments of the State and Central Government, and also help IBEUL avail incentives and concessions under various schemes announced by the State and Central Government. The Government of Orissa has agreed to facilitate IBEUL for (i) acquisition of land through the Orissa Industrial Infrastructure Development Corporation for the plant and allied facilities, (ii) allotment of coal blocks for the purpose of mining to be utilised for the plant, (iii) finalising a suitable technical solution for the drawal of water, and (iv) supply of power from the Orissa Power Transmission Corporation Limited or a concerned distribution company as required for construction work in relation to the plant.

As per the terms of the MoU, power will be made available to the State of Orissa at variable cost, and a nominated agency authorised by the Government of Orissa will have the right to purchase 14% of the power sent out of the plant at a variable cost if coal blocks are allocated to IBEUL within the state or 12% of power sent out of the plant at variable cost otherwise. Tariff for such power will be determined by the OERC. IBEUL will have the right to sell the balance power from the plant to any party outside or inside the State of Orissa.

The MoU also provides that if the Government of Orissa or its nominated agency is unable to honour the terms of the PPA, IBEUL will have the right to sell such power to any other party outside the State of Orissa.

As per the terms of the MoU, IBEUL is obliged to make an annual contribution of 6 paise per unit of the energy sent out from the plant during the relevant year, which shall not be made for energy sold to the State of Orissa towards the Environment Management Fund. IBEUL may be set up by its own transmission facility for evacuation of power to the point of off-take by the buyer(s) or may request the State Transmission Utility and the Central Transmission Utility.

3. *PPA with PTC India*

IBEUL has entered into a PPA with PTC India on June 24, 2009 to sell part of the capacity and output of the power generation (560 MW) undertaken by IBEUL at its coal fired thermal power station at Sahajbal, Jharsuguda District, Orissa. The agreement is for the entire power generated from the unit less auxiliary consumption and 12.5% supply to Orissa Government. In the event the Government does not withdraw its 12.5%, the remainder shall also be sold to PTC India.

Under the PPA, the obligations of IBEUL include obtaining and maintaining all consents and insurance required pursuant to the agreement in full force during the term of the agreement, designing, completion, testing, commissioning, owning, operating and maintaining the project in accordance with specifications, bearing the entire cost and risk of the project on its own for the supply of 560 MW of power to PTC India, and ensuring that the fuel supply and other inputs required for delivery of the rated capacity of the project throughout the operation period, informing PTC India of any change in its shareholding if there is dilution of more than 10% of our Company.

As per the terms of the PPA, 400 MW of the contracted capacity will be purchased by PTC India for further tie up with purchasers through the competitive bidding route or on a negotiated basis, on a long term basis for a period between 25 years from the commercial operations date of the Utkal Project, and the balance 160 MW will be purchased by PTC India on a long term basis from the commercial operations date of the Utkal Project and further tied up by PTC India on either a medium term or a short term basis.

As per the terms of the PPA, PTC India shall enter into a separate agreement with IBEUL for the purchase of the 160 MW of electricity, for which it shall offer a minimum guaranteed average price of Rs. 2.50 per kWh for such capacity for the first five years from the commercial operations date of the Utkal Project.

Under the PPA, IBEUL will be liable to compensate PTC India as per the terms of the agreement for any delay in the commercial operations date of the plant which is not due to force majeure or a breach of obligations of PTC India under the agreement. If the delay in the commercial operations date is due to an event of default on account of PTC India, or for force majeure event affecting, PTC India, IBEUL is entitled to be compensated by PTC India as is set out in the agreement.

Under the terms of the PPA, the installation of meters, testing, calibration and meter reading will be according to the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, the Grid Code, and the CERC order on the availability based tariff issued on January 4, 2000 and subsequent amendments thereto.

The agreement will remain in force from the date of execution of the agreement until the expiry of 25 years after the commercial operations date of the Utkal Project. Either party may terminate the agreement upon a breach of any of the terms of the agreement by the other party.

4. *Agreement for long term access with PGCIL*

The agreement for long term access dated February 24, 2010 with PGCIL has been entered into by IBEUL, GMR Kamalanga Energy Limited, Monnet Power Company Limited, and Lanco Babandh Power Limited, to avail long term open access of the transmission system for evacuation of power from their power projects. The agreement is valid for a period of 25 years. As per the terms of the agreement, IBEUL shall share the transmission charges of the transmission system, open a letter of credit of a value of 105% of the estimated average monthly billing charges, and provide an irrevocable bank guarantee equivalent to two months average monthly billing in favour of PGCIL which shall initially be valid for three years, and thereafter renewed from time to time for the duration of this agreement. Failure of IBEUL to construct its generating station or dedicated transmission system or exit of IBEUL from its power project or abandonment of its power project will make it liable to pay damages at the rate of Rs. 500,000.00 per MW to PGCIL.

5. *PPA with GRIDCO Limited*

The PPA dated September 14, 2009 has been executed between IBEUL and GRIDCO Limited to sell a part of the capacity and output of the power generation undertaken by IBEUL through the 700 MW thermal power project at Jharsuguda District in Orissa, which it owns, operates and maintains.

Under the PPA, IBEUL has agreed to sell 14% (if coal blocks allocated within Orissa) or 12% of the power generated by it otherwise. IBEUL shall bear all transmission charges, SLDC charges, transmission losses and/ or any other applicable charges up to the delivery point. All transmission charges and transmission losses, RLDC and SLDC charges and other charges beyond the delivery point will be borne by GRIDCO Limited. The charges payable by GRIDCO Limited to IBEUL shall be restricted to variable cost (energy charges) in regard to 14% / 12% capacity entitlement to GRIDCO Limited. The variable cost will cover fuel cost and will be worked out on the basis of ex-bus energy sent out from the generating stations proportionate to the energy delivered to GRIDCO Limited against 14% / 12% entitlement to GRIDCO Limited. Any dispute with regard to the variable cost payable by GRIDCO Limited to IBEUL, will be referred to adjudication by the Orissa Electricity Regulatory Commission.

IBEUL shall allow 2% rebate on the purchase price if the payments of bills is made through letter of credit or directly from GRIDCO Limited if the amount is paid within 7 days of presentation of the bill and a rebate of 1% if the payment is made after 7 days but within 30 days of presentation of bill. A surcharge of 1.25% per month shall be applied on all payments that remain outstanding after 30 days of GRIDCO Limited receiving the bill from IBEUL. In the event GRIDCO Limited fails to pay the undisputed amount or fails to purchase the energy, IBEUL will have the right to sell such power to another party in or outside the State of Orissa, so long as GRIDCO Limited is in default and upon payment or default being rectified, IBEUL will immediately begin to deliver electricity to GRIDCO Limited.

The agreement will remain in force from the date of execution of the agreement until the expiry of 25 years after the commercial operations date of the last unit of the power station, extendable by parties on mutually agreed terms.

6. *Letter of Assurance from Mahanadi Coalfields Limited*

Mahanadi Coalfields Limited has by a letter dated July 08, 2009 bearing No. MCL/ CGM/ S&M/ LOA/ Ind Barath (utkal)/ F- / 2009/ 1540 granted IBEUL 1.95 million tones per annum of F grade coal for its 450 MW power plant at Sahajbahal District, Jharsuguda. Pursuant to a scheme of arrangement between IBEUL, along with IBEUL, by an order of the High Court of Andhra Pradesh dated October 24, 2008 the grant under the letter was transferred to IBEUL.

As per the letter, the price of coal will be as per the notified price of Coal India Limited from time to time. However, if for the supply of coal, Mahanadi Coalfields Limited has to open a dedicated mine, then the coal will be priced at the higher of the cost plus reasonable return or such notified price. The quantity of imported coal that may be supplied to IBEUL shall be charged at the landed cost plus service charge. Such service charge will be determined by Mahanadi Coalfields Limited from time to time. IBEUL will be liable to pay all applicable taxes and statutory levies.

As per the letter, IBEUL have provided Mahanadi Coalfields Limited a commitment guarantee of Rs 85.80 million equivalent to 10% of the base price of Grade F run of the mine coal of Mahanadi Coalfields Limited, which is valid until four months after expiry of 24 months from the expiry of the letter of assurance, after which it will stand converted to a contract performance guarantee. Further, IBEUL will be liable to furnish additional commitment guarantee if any of the milestones specified in the letter are delayed.

Further, Mahanadi Coalfields Limited will have the right to encash the commitment guarantee in the event that any of the activities/ milestones specified in the letter are delayed beyond the period specified in the letter, or upon failure of IBEUL to sign the fuel supply agreement within three months of the expiry of validity of the letter of assurance.

IBEUL will not assign this letter or any rights, or obligations under this letter to third parties without the express prior written consent of Mahanadi Coalfields Limited.

The letter of assurance is valid for a period of 24 months unless Mahanadi Coalfields Limited and IBEUL mutually agree to extend its validity for a further period of three months. Mahanadi Coalfields Limited may amend or repeal the letter if development of the coal block identified by Mahanadi Coalfields Limited to meet the supply quantity is delayed due to the occurrence of a force majeure event. Further, Mahanadi Coalfields Limited may cancel the letter of assurance if a force majeure event persists which prohibits IBEUL from fulfilling its obligations for a continuous period of more than three months.

The following are the milestones under the letter of allotment:

S No.	Milestone	Timeline from date of LOA
1.	Environmental clearance	6 months
2.	Financial closure	6 months
3.	90% of acquisition of land required	12 months
4.	Date of synchronisation	Before September 11, 2011
5.	Date of commercial operations	Before December 31, 2011.

Failure to achieve milestones (4) and (5) above will result in the Utkal Project being considered for cancellation/ deferment to the twelfth plan period.

7. *Letter of Assurance from the Mahanadi Coalfields Limited to IBEUL*

Mahanadi Coalfields Limited has by a letter dated December 29, 2008 bearing No. MCL/ GM/ S&M/ LOA/ Ind Barath/ F- / 2008/ 4316, granted IBEUL 11.20 lakh tones of E/F grade coal for its 250 MW power plant at IB Valley, Orissa.

As per the letter, the price of coal will be as per the notified price of Coal India Limited from time to time. However, if for the supply of coal, Mahanadi Coalfields Limited has to open a dedicated mine, then the coal will be priced at the higher of the cost plus reasonable return or such notified price. The quantity of imported coal that may be supplied to IBEUL shall be charged at the landed cost plus service charge. Such service charge will be determined by Mahanadi Coalfields Limited from time to time. IBEUL will be liable to pay all applicable taxes and statutory levies.

The letter stipulates that IBEUL shall complete all activities specified in the letter within 24 months from the date of issue of this letter and each activity within the time period mentioned against it unless such completion is affected by a force majeure event.

IBEUL has provided to Mahanadi Coalfields Limited a commitment guarantee in cash/ bank guarantee for a sum of Rs 62.72 million , equivalent to 10% of the base price of grade E/F run of mine coal of Mahanadi Coalfields Limited prevalent on the date of application for issue of this letter. This guarantee shall remain valid until 4 months after the expiry of the letter of assurance period of 24 months. Thereafter the commitment guarantee shall stand converted into the contract performance guarantee that would be condition precedent for the signing of the fuel supply agreement.

Upon delay in any of the activities/ milestones beyond the period specified, IBEL is liable to furnish additional commitment guarantee of 10% of the commitment guarantee amount, and if IBEL fails to furnish additional commitment guarantee for such delay within 24 months as specified, Mahanadi Coalfields Limited shall have the right to cancel or withdraw this letter. Upon such cancellation or withdrawal of this letter, the assurer has the right to encash the commitment guarantee including any additional commitment guarantee submitted by IBEUL.

Mahanadi Coalfields Limited have the right to encash the commitment guarantee in the event of failure by IBEUL to sign the fuel supply agreement within three months from the expiry of the validity of the letter or the satisfactory achievement of all the milestones as is specified in the letter, whichever is earlier. The percentage of annual contracted quantity fixed with respect to take or pay obligations in the fuel supply agreement may be reviewed by Mahanadi Coalfields Limited in light of its coal availability and coal commitments, and amended on year to year basis during the term of the fuel supply agreement.

This commitment guarantee will remain valid for a period of 24 months from the date of issue of this letter of assurance unless extended for 3 months due to a force majeure and will stand annulled upon expiry of such period. IBEUL will not without the express prior written consent of Mahanadi Coalfields Limited, assign to any third person this letter of assurance, or any right, benefit, obligation or interest under the letter.

The total quantity of coal assured pursuant to this letter of assurance for use at the plant and IBEUL will not re-sell or trade the coal assured or supplied hereunder to any third party. If at any time in the reasonable opinion of Mahanadi Coalfields Limited, IBEUL has entered into an arrangement for resale or trade of coal supplies, the assurer may cancel/ withdraw this letter without incurring any liability whatsoever, including liability for payment of damages to the Mahanadi Coalfields Limited.

The letter of allotment is contingent upon the following milestones:

S No.	Milestone	Timeline from date of LOA
1.	Existence of business entity	6 months
2.	Approval of the investment decision by the board of directors of the business entity	6 months
3.	Technical and feasibility studies	Within 6 months
4.	Land acquisition	To commence within 6 months, atleast 70% of the total land required must be acquired within 18 months, atleast 90% of the total land required must be acquired within 24 months
5.	Environmental clearance	Approved terms of reference must be obtained within 6 months, and final clearance must be obtained within 12 months
6.	Forest clearance	Recommendation for forest clearance must be obtained within 12 months and final forest clearance must be obtained within 24 months
7.	Water allocation	In principle water allocation must be obtained within 6 months, clearance must be obtained within 6 months, and sanction letter for firm water allocation must be obtained within 12 months
8.	Commitment of equity investment for the project by the board of directors of IBEUL	18 months
9.	Financial closure	24 months

IBEUL undertakes to achieve the above milestones under the letter of allotment unless there exists a reason other than a force majeure event under the letter of allotment.

8. *Supply agreement with Cethar Vessels Limited*

The supply agreement dated May 16, 2009 has been executed between IBEUL and Cethar Vessels Limited for supply of 2x350 MW BTG package, auxiliary equipments and STG package for a contract price Rs. 10,990.00 million . IBEUL is required to pay the contract price to Cethar Vessels Limited in the manner specified in the agreement. IBEUL to bear the transit insurance. All equipments carry a warranty of 12 months from the date of commissioning of the unit against any material defect, design defect and manufacturing defect.

9. *Service agreement with Cethar Vessels Limited*

The services agreement dated May 16, 2009 has been executed between IBEUL and Cethar Vessels Limited for unloading, loading, erection, installation, supervision and commissioning of the BTG package for the 2x350 MW coal bases thermal power plant for a contract price Rs. 725.00 milion. IBEUL is required to pay the contract price to Cethar Vessels Limited in the manner specified in the agreement. IBEUL to bear the insurance for site storage and erection till commissioning and handing over of the plant. All equipments carry a warranty of 12 months from the date of commissioning of the unit against any defect due to workmanships.

10. *Contract Agreement with a leading Indian EPC service provider*

IBEUL has entered into a contract agreement dated January 07, 2010 with a leading Indian EPC service provider (“**Contractor**”) for supply of balance of plant equipment, auxiliary and accessories for the 2x350 MW thermal power project at Jharsuguda District in Orissa, for a contract price of Rs. 4,230.00 million (exclusive of all taxes, duties and levies). As per the terms of the agreement, IBEUL must pay the Contractor within 15 days of submission of invoice.

Under the contract agreement, the obligations of IBEUL include obtaining and maintaining all consents and approvals required from government authorities as and when required, acquiring and providing legal and physical possession of the site and access thereto as reasonably required for the execution of the contract and paying all applicable property and other taxes. The Contractor will complete the supply within 14 months from the project commencement date. The Contractor may claim extension of the time in the event: (i) delay of materials, drawings or services to be provided by IBEUL, (ii) changes ordered by IBEUL, (iii) delay in performance of work caused by orders issued by IBEUL, (iv) force majeure and (v) cause of delay giving an entitlement to extension of time provided under any other provision in the contract agreement; provided that the Contractor has notified IBEUL of the delay in writing within 3 Working Days of becoming aware of such delay.

Liquidated damages will be applicable after the expiry of the contracted time period, at the rate of 0.25% of the contract price applicable for every completed week of delay, subject to a maximum of 5% of the contract price. The aggregate liability of the Contractor is limited to 5% of the contract price, which shall terminate at the end of the warranty period.

As per the terms of the contract agreement, the parties have agreed to indemnify and hold harmless each other from and against such claims and liabilities provided in the conditions of the contract agreement. Neither party will be held liable to the other party for loss of production, profit, use or any other indirect or consequential damages.

In the event of suspension of work by IBEUL, as compensation for such suspension, the Contractor will be reimbursed certain costs as detailed in the contract agreement to the extent that such costs result directly from the suspension. In the event the suspension continues for a period beyond 60 days, and in aggregate 90 days, either party has the right to terminate the particular part of the work or whole of the work if so affected, by giving notice to the other party.

IBEUL has the right to terminate the agreement at any time, by giving a written notice to the Contractor, subject to fulfilment of certain conditions as detailed in the contract agreement. IBEUL has the right to terminate the contract agreement by giving a written notice of default to the Contractor, in the event: (i) the Contractor fails to deliver any or all of the goods within the time period specified in the contract agreement, (ii) the Contractor fails to perform any other obligation under the contract agreement and fails to cure it within ten calendar days after the receipt of notice of default from IBEUL. The Contractor has the right to terminate the contract agreement, after giving 14 days written notice to IBEUL, in the event: (i) IBEUL does not pay the amount due within the stipulated timeframe, (ii) IBEUL substantially fails to perform its obligations under the contract agreement, (iii) in case of suspension lasting more than 90 days, affecting whole of the works, or (iv) IBEUL becomes insolvent, bankrupt or goes into liquidation.

As per the terms of the agreement, the Contractor will nominate 2 competent engineers to head the management of the project.

11. *Contract Agreement (Services) with a leading Indian EPC service provider*

IBEUL has entered into a contract agreement dated January 07, 2010 with a leading Indian EPC service provider (“**Contractor**”) for erection, testing and commissioning of services for the balance of plant for the 2x350 MW thermal power project at Jharsuguda District in Orissa, for a contract price of Rs. 510.00 million (exclusive of all taxes, duties and levies). As per the terms of the agreement, IBEUL must pay the Contractor within 15 days of submission of invoice.

Under the contract agreement, the obligations of IBEUL include obtaining and maintaining all consents and approvals required from government authorities as and when required, acquiring and providing legal and physical possession of the site and access thereto as reasonably required for the execution of the contract and paying all applicable property and other taxes. The Contractor will complete the supply within 14 months from the project commencement date. The Contractor may claim extension of the time in the event: (i) delay of materials, drawings or services to be provided by IBEUL, (ii) changes ordered by IBEUL, (iii) delay in performance of work caused by orders issued by IBEUL, (iv) force majeure and (v) cause of delay giving an entitlement to extension of time provided under any other provision in the contract agreement; provided that the Contractor has notified IBEUL of the delay in writing within 3 Working Days of becoming aware of such delay.

Liquidated damages will be applicable after the expiry of the contracted time period, at the rate of 0.25% of the contract price applicable for every completed week of delay, subject to a maximum of 5% of the contract price. The aggregate liability of the Contractor is limited to 5% of the contract price, which shall terminate at the end of the warranty period.

As per the terms of the contract agreement, the parties have agreed to indemnify and hold harmless each other from and against such claims and liabilities provided in the conditions of the contract agreement. Neither party will be held liable to the other party for loss of production, profit, use or any other indirect or consequential damages.

In the event of suspension of work by IBEUL, as compensation for such suspension, the Contractor will be reimbursed certain costs as detailed in the contract agreement to the extent that such costs result directly from the suspension. In the event the suspension continues for a period beyond 60 days, and in aggregate 90 days, either party has the right to terminate the particular part of the work or whole of the work if so affected, by giving notice to the other party.

IBEUL has the right to terminate the agreement at any time, by giving a written notice to the Contractor, subject to fulfilment of certain conditions as detailed in the contract agreement. IBEUL has the right to terminate the contract agreement by giving a written notice of default to the Contractor, in the event: (i) the Contractor fails to deliver any or all of the goods within the time period specified in the contract agreement, (ii) the Contractor fails to perform any other obligation under the contract agreement and fails to cure it within ten calendar days after the receipt of notice of default from IBEUL. The Contractor has the right to terminate the contract agreement, after giving 14 days written notice to IBEUL, in the event: (i) IBEUL does not pay the amount due within the stipulated timeframe, (ii) IBEUL substantially fails to perform its obligations under the contract agreement, (iii) in case of suspension lasting more than 90 days, affecting whole of the works, or (iv) IBEUL becomes insolvent, bankrupt or goes into liquidation.

As per the terms of the agreement, the Contractor will nominate 2 competent engineers to head the management of the project.

12. Contract Agreement (Civil) with a leading Indian EPC service provider

IBEUL has entered into a contract agreement dated January 07, 2010 with a leading Indian EPC service provider (“**Contractor**”) for civil and structural works including supplies of cement, reinforcement steel, structural steel for the 2x350 MW thermal power project at Jharsuguda District in Orissa, for a contract price of Rs. 4730.00 million (exclusive of all taxes, duties and levies). As per the terms of the agreement, IBEUL must pay the Contractor within 15 days of submission of invoice.

Under the contract agreement, the obligations of IBEUL include obtaining and maintaining all consents and approvals required from government authorities as and when required, acquiring and providing legal and physical possession of the site and access thereto as reasonably required for the execution of the contract and paying all applicable property and other taxes. The Contractor will complete the supply within 14 months from the project commencement date. The Contractor may claim extension of the time in the event: (i) delay of materials, drawings or services to be provided by IBEUL, (ii) changes ordered by IBEUL, (iii) delay in performance of work caused by orders issued by IBEUL, (iv) force majeure and (v) cause of delay giving an entitlement to extension of time provided under any other provision in the contract agreement; provided that the Contractor has notified IBEUL of the delay in writing within 3 Working Days of becoming aware of such delay.

Liquidated damages will be applicable after the expiry of the contracted time period, at the rate of 0.25% of the contract price applicable for every completed week of delay, subject to a maximum of 5% of the contract price. The aggregate liability of the Contractor is limited to 5% of the contract price, which shall terminate at the end of the warranty period.

As per the terms of the contract agreement, the parties have agreed to indemnify and hold harmless each other from and against such claims and liabilities provided in the conditions of the contract agreement. Neither party will be held liable to the other party for loss of production, profit, use or any other indirect or consequential damages.

In the event of suspension of work by IBEUL, as compensation for such suspension, the Contractor will be reimbursed certain costs as detailed in the contract agreement to the extent that such costs result directly from the suspension. In the event the suspension continues for a period beyond 60 days, and in aggregate 90 days, either party has the right to terminate the particular part of the work or whole of the work if so affected, by giving notice to the other party.

IBEUL has the right to terminate the agreement at any time, by giving a written notice to the Contractor, subject to fulfilment of certain conditions as detailed in the contract agreement. IBEUL has the right to terminate the contract agreement by giving a written notice of default to the Contractor, in the event: (i) the Contractor fails to deliver any or all of the goods within the time period specified in the contract agreement, (ii) the Contractor fails to perform any other obligation under the contract agreement and fails to cure it within ten calendar days after the receipt of notice of default from IBEUL. The Contractor has the right to terminate the contract agreement, after giving 14 days written notice to IBEUL, in the event: (i) IBEUL does not pay the amount due within the stipulated timeframe, (ii) IBEUL substantially fails to perform its obligations under the contract agreement, (iii) in case of suspension lasting more than 90 days, affecting whole of the works, or (iv) IBEUL becomes insolvent, bankrupt or goes into liquidation.

Ind-Barath Power Gencom Limited - 63 MW thermal project at Thoothukudi District in Tamil Nadu, India.

1. EPC Supply Agreement with Greenesol Power Systems Private Limited

The EPC supply agreement dated February 22, 2008 has been executed between IBPGL and Greenesol Power Systems Private Limited (“**Contractor**”) for supply of certain equipments including 1x63 MW steam turbine based power generating set, accessories and design, system engineering, procurement, quality contract, inspection, testing and forwarding of onshore items for setting up a 63 MW thermal power plant at Pudurpandiapuram, Ottapidaram Taluk, Thoothukudi District, Tamil Nadu for a contract price of Rs. 1,440.00 million.

2. Amendment Agreement (EPC supply) with Greenesol Power Systems Private Limited

The amendment agreement (to the EPC supply agreement) dated September 01, 2008 has been executed between IBPGL and Greenesol Power Systems Private Limited (“**Contractor**”) to amend the EPC supply agreement dated February 22, 2008 for supply of certain equipments for the 2 x 63 MW thermal power plant at Pudurpandiapuram, Ottapidaram Taluk, Thoothukudi District, Tamil Nadu.

Under the amendment agreement, the Contractor is obligated to give additional performance guarantee. The Contractor is obligated to guarantee certain pollution and noise control norms as set out in the agreement. The Contractor will be given an opportunity to make good performance shortfalls, if any. IBPGL has the right to reject the plant in the event the Contractor is unable to restore the performance shortfall.

The amendment agreement elaborates that with respect to liquidated damages, if the Contractor fails to deliver, install and commission any or all of the goods with the time specified in the EPC supply agreement, IBPGL will deduct from the contract price, a sum equivalent to 0.5% of the contract price, for each week of delay until actual delivery or performance, up to a maximum deduction of 15% of the contract price. IBPGL has the right to terminate the agreement once the 15% limit is reached.

The amendment agreement provides that all systems will be handed over once they are stabilized and proved safe. Under the amendment agreement, the Contractor will be responsible for obtaining the provisional order from the boiler inspectorate, the fees for which will be borne by IBPGL. The performance test will be conducted one month from the date of provisional taking over. Under the amendment agreement, the Contractor is obligated to train IBPGL’s personnel along with the trial run and until performance test completion period. The Contractor is also obligated to provide necessary skilled or semi-skilled manpower during the trial run and till successful handing over.

3. EPC Services Agreement with Greenesol Power Services Private Limited

The EPC services agreement dated February 22, 2008 has been executed between IBPGL and Greenesol Power Services Private Limited (“**Contractor**”) for provision of certain services including port clearance of offshore equipments, inland transportation of offshore equipments, handling, storage at site, erection, pre commissioning, commissioning, training of IBPGL’s personnel, conducting performance test, stabilisation and hand over of 63 MW thermal power plant at Pudurpandiapuram, Ottapidaram Taluk, Thoothukudi District, Tamil Nadu to IBPGL for a contract price of Rs 150 million.

4. Amendment Agreement (EPC services) with Greenesol Power Systems Private Limited

The amendment agreement (to the EPC services agreement) dated September 01, 2008 has been executed between IBPGL and Greenesol Power Services Private Limited (“**Contractor**”) to amend the EPC services agreement dated February 22, 2008 for provision of certain services for the 2 x 63 MW thermal power project at Thoothukudi District in Tamil Nadu.

The amendment agreement provides that with respect to liquidated damages, if the Contractor fails to deliver, install and commission any or all of the goods with the time specified in the EPC supply agreement, IBPGL will deduct from the contract price, a sum equivalent to 0.5% of the contract price, for each week of delay until actual delivery or performance, up to a maximum deduction of 15% of the contract price. IBPGL has the right to terminate the agreement once the 15% limit is reached.

5. Operation and Maintenance Agreement (“O&M Agreement”) with Operational Energy Group India Private Limited

The O&M agreement dated September 01, 2008 has been executed between IBPGL and Operational Energy Group India Private Limited (“**Contractor**”). Under this agreement, the Contractor has agreed to provide operation and maintenance of the thermal project at Thoothukudi District in Tamil Nadu.

Under the terms of the O&M Agreement, the obligations of the Contractor, inter alia, include providing competent and skilled staff for the operation and maintenance of the plant and maintaining strict discipline and good order amongst its personnel and its sub-contractors.

IBPGL will pay the Contractor a one time non-refundable mobilising fee and an annual operating fee in accordance with the terms of the agreement. Such annual operating fee shall be increased by 5% every year till end of the contract period of 10 years. The agreement also provides that the liability of the Contractor will be limited to 10% of the annual operating fee.

The O&M agreement came into force on September 01, 2008 and is effective for a period of 5 years from the date on which the Contractor takes over the facility as per the terms of the O&M Agreement.

The agreement can be terminated by either party in the event of bankruptcy, force majeure, breach of the terms of the agreement by giving 90 days notice to the other party. Neither party can assign this agreement to its affiliate or third party without the prior written consent of the other party.

6. Memorandum of understanding for providing water supply scheme to Ind-Barath Power Gencom Limited

The memorandum of understanding for providing water supply scheme dated May 19, 2009 has been executed between the Tamil Nadu Water Supply and Drainage Board (“**TNWS**”) and IBPGL by which TNWS has agreed to provide water supply to IBPGL at its project site at Kelavelayuthapuram Village, Pudurpandiapuram Panchayat, Mela Arasaradi post, Ottapidaram Taluk in Thoothukkudi District from the 20 million gallons per day.

IBPGL is required to deposited the cost of water supplied in advance with TNWS, and any amount in excess of the sum deposited, and additional expenditure incurred by TNWS, shall be deposited by IBPGL with TNWS as required by TNWS. On completion of the project at the project site, IBPGL shall pay six months water charges as advance and a further six months water charges as caution deposit, the amount being calculated at the rate of Rs. 60.00 per kilo litre. The deposit shall be made one month before effecting the water supply.

IBPGL is required to inform TNWS three days in advance if IBPGL does not require water for a given day. Further, in case IBPGL does not consume the earmarked quantity of water in a given day, and is liable for any wastage of water to the extent of two times the cost of the water wastage if due to sudden closure of its valves, if it fails to inform TNWS.

TNWS is liable for any repair of the water works at the project premises and IBPGL is liable for any repair of water works at the national or state highways or other inter-departmental works. Upon completion of the water works, water charges will be based on usage at the tariff of Rs. 60.00 per kilo litre of water or such other revised tariff as determined by TNWS. Cost of installation of the water works at the project premises and cost of meter shall be borne by TNWS.

7. PPA with PTC India

The PPA dated June 01, 2009 and a supplementary agreement dated October 27, 2009 has been entered into between PTC India and IBPGL for the sale of power from IBPGL’s gas based power plant.

IBPGL has agreed to sell 60 MW of power from July 01, 2009 to August 31, 2009, 120 MW of power from September 01, 2009 to November 30, 2009, and 180 MW of power from December 01, 2009 to PTC India at the 230 KV bus at IBPGL’s switchyard (“**Delivery Point**”) at tariff agreed and finalised between IBPGL and PTC India.

As per the terms of the PPA, all transmission losses up to the Delivery Point shall be borne by IBPGL and beyond the Delivery Point shall be borne by PTC India. Further, IBPGL will raise monthly bills from the first day of each month, and the payment of such bills will be deposited by PTC India within 10 days from the date of receipt of the bills. PTC India shall provide an irrevocable letter of credit equivalent to 100% of 45 days peak billing of contracted energy, valid for 15 days from the last date of the dispatch, as a payment security mechanism. IBPGL will allow a rebate of 2% on the purchase price of power PTC India deposits the full payment of a bill within 10 days of its receipt, and shall levy a surcharge of 15% p.a. calculated on a day to day basis, on all payments outstanding after 30 days of receipt of a bill by PTC India.

IBPGL is obliged to supply 80% of the declared energy and for any shortfall in supply below this threshold of 80%, IBPGL shall be liable to pay PTC India, compensation to PTC India at the rate of Rs. 1.79 per kWh. If PTC India fails to off take at least 80% of the declared energy in a month, it shall be liable to pay IBPGL, compensation at the rate of Rs. 0.96 per kWh. Tariff for excess power supplied to the extent of 10% of the declared energy shall be at the rate of supply of power at the tariff agreed for supply of declared energy, provided prior approval is obtained from PTC India.

IBPGL shall furnish a performance guarantee for an amount equivalent to 10% of the expected monthly charges to PTC India before payment of the first bill under this PPA, which shall be valid till the end of June 2010. Either party may terminate this PPA for breach of the terms of the PPA by the other party. IBPGL may terminate this PPA in case PTC India does not make payment for power consumed during a continuous period of three months. PTC India may terminate this PPA if IBPGL fails to supply continuous power for a period of more than three months.

PTC India has purchased this power for sale to the Tamil Nadu Electricity Board (“TNEB”), and if TNEB purchases energy less than the contracted energy, without a reasonable cause, to the satisfaction of PTC India, PTC India will endeavour to sell the power under inter-state open access on mutually agreed terms and conditions subject to approval of inter-state open access by concerned authorities.

IBPGL has furnished an undertaking dated October 27, 2009 to PTC India Limited, agreeing to indemnify PTC India, and hold it harmless from and against all claims, losses, liabilities, obligations, damages, which may arise on account of import of power by IBPGL from TNEB.

8. Agreement for the sale and purchase of coal with PT. Ind-Barath Energy

The agreement for the sale and purchase of steaming non-coking coal dated September 25, 2008 has been entered into by IBPGL with PT.Ind-Barath Energy. IBPGL has agreed to purchase at least 750,000 tonnes +/- 10% coal per year from PT.Ind-Barath Energy up to October 2013, and may be extended for a further period of five years on the same terms by mutual agreement between the parties, and an intention to extend the agreement for a further period of 5 years must be notified at least 6 months prior to the expiry of the initial term of the agreement, by either party to the other.

PT.Ind-Barath Energy shall have the option of reviewing the feasibility of the agreement, and if it is of the reasonable view that the commercial purpose of the agreement is not satisfied, PT.Ind-Barath Energy may terminate the agreement by notifying IBPGL in writing. The coal shall be delivered on a cost, insurance, and freight basis at the rate of USD 56.00 (United States Dollars Fifty Six only) per metric tonne, as per an amendment agreement dated May 05, 2010, and may be subject to price adjustment on account of calorific value of the coal.

IBPGL shall make full payment for the shipment by means of an irrevocable letter of credit in favour of the PT.Ind-Barath Energy. Title to the coal delivered shall pass to IBPGL upon making full payment for the shipment of coal. Upon IBPGL failing to take delivery of coal for a continuous period of 30 days due to force majeure, PT.Ind-Barath Energy shall have the option of transferring the full quantity of coal that is undelivered to the next shipment to be delivered to IBPGL and shall notify IBPGL of its intention to exercise this option.

The agreement stands terminated if upon an event of force majeure persisting for a period of 30 days, both parties agree that the force majeure is permanent. Either party may terminate the agreement with three months notice to the other party of its intention to do so - IBPGL may terminate the agreement if PT.Ind-Barath Energy fails to deliver a quantity of coal scheduled to be delivered except as a result of force majeure, and PT.Ind-Barath Energy may terminate the agreement, if IBPGL fails to pay the price in full when due, and such failure is not remedied within 30 days, or if IBPGL is unable to pay its debts, or if IBPGL consolidates or amalgamates with, or merges with or into, or transfers substantially all of its assets to another entity, or the majority of the shares in the IBPGL change ownership such that the control of the party vests in another person, or if IBPGL ceases, or threatens to cease to carry out its business. Upon notice of termination, the parties shall agree on whether the obligations may be fulfilled, and the parties shall continue performance of the agreement until termination, except when such termination is due to force majeure. IBPGL shall indemnify and hold harmless PT.Ind-Barath Energy against all liabilities that it may be subject to, in relation to the performance of the agreement by IBPGL, or its agents, employees, or representatives.

Dharmshala Hydro Power Limited –5.0 MW hydel project at Kangra District in Himachal Pradesh

1. Implementation Agreement between DHPL and the Governor of Himachal Pradesh

DHPL has entered into an agreement with the Government of Himachal Pradesh on July 25, 2006 for implementation and operation of the 5.0 MW hydel project at Kangra District in Himachal Pradesh (“**Maujhi II Project**”).

As per the terms of the agreement, the Government of Himachal Pradesh has agreed to grant necessary permission to DHPL to establish, own, operate and maintain the Maujhi II Project for a period of 40 years from the commercial operations date of the Maujhi II Project. DHPL shall achieve milestones as set out in the agreement, failing which DHPL will be liable to pay liquidated damages to the Government of Himachal Pradesh, and the Government of Himachal Pradesh may cancel the agreement. The Maujhi II Project shall revert to the Government of Himachal Pradesh upon the expiry of 40 years after the commercial operations date of the Maujhi II Project. However, the Government of Himachal Pradesh may extend the lease for such periods as mutually negotiated with DHPL, and the Maujhi II Project shall then revert to the Government of Himachal Pradesh upon expiry of the extension period.

The Government of Himachal Pradesh shall provide DHPL all possible assistance and cooperation to expedite various statutory and non-statutory clearances in relation to the Maujhi II Project, and permit DHPL to collect and use boulders, stones, shingles, limestone and other building materials at the Maujhi II Project site.

DHPL shall be liable to make payments as set out in the agreement if it augments the capacity of the Maujhi II Project. As per the terms of the agreement, the Government of Himachal Pradesh has waived the requirement of royalty for usage of water by the Maujhi II Project for a period of 12 years from the commercial operations date of Maujhi II Project. DHPL will be liable to provide 12% of the energy generated as royalty to HPSEB for the next 18 years of the project, and 18% of the energy generated for the remaining term of this agreement. This free energy shall be made available by DHPL at the interconnection point. The 12 years relaxation in royalty will however not be applicable to the project, which make captive use of power outside the State or make third party sale outside the State. Further, DHPL shall not be liable for transmission or wheeling charges in respect of the energy provided as royalty to HPSEB. DHPL shall be responsible to evacuate power from the Maujhi II Project up to the HPSEB/ regional grid sub station

The Government of Himachal Pradesh shall acquire land at the expense of DHPL for the Maujhi II Project, which the Government of Himachal Pradesh shall provide DHPL on a lease basis. The Government of Himachal Pradesh shall also provide additional land for temporary structures on a short term lease basis if required for the implementation of the Maujhi II Power Project by DHPL.

2. PPA between Dharamshala Hydro Power Limited and Himachal Pradesh State Electricity Board

DHPL has entered into a PPA dated May 27, 2009 with the Himachal Pradesh State Electricity Board (“**HPSEB**”) to sell the entire electric energy received from the Maujhi II Project to HPSEB, from the date of synchronisation of the first unit. This electric energy sold shall not include the government supply of 12% of the total power generated.

Under the PPA, the tariff for the power supplied shall be at a fixed rate of Rs. 2.50 per kWh. DHPL will prepare monthly bills for the saleable deemed generation and net saleable energy delivered at the interconnection point, and HPSEB shall reimburse all statutory taxes, levy, duties, cess, or any other kind of impositions imposed/ charged by the central or state government or local bodies/ authorities on the generation of electricity, based on the quantum of net saleable energy. HPSEB shall make payment within 30 days of receipt of the bills from DHPL. HPSEB shall maintain a confirmed, irrevocable letter of credit for a sum equal to the possible value of invoice based on the maximum generation in any one month, for the first year of operations and for subsequent years the value of the letter of credit will be equivalent to the highest invoice amount in any one month during the preceding three years of operations.

DHPL shall allow rebate at the prime lending rate of the State Bank of India calculated for each day of payment before the due date, if payment of the bill is made within the date on which payment is due. However, if HPSEB fails to make payment of the bill to DHPL within the due date, the unpaid amount shall bear interest of 1.5% per month.

The PPA is valid for a term of 40 years from the synchronisation date of the first unit of the Maujhi II Project, unless terminated earlier by DHPL for an HPSEB event of default as per the terms of the agreement, or by HPSEB for a DHPL event of default as per the terms of the agreement.

As per the terms of the agreement, if this agreement is terminated by HPSEB due to a DHPL event of default, HPSEB may cause DHPL to sell the Maujhi II Project to HPSEB at the sale price determined in accordance with the agreement. HPSEB may exercise this right within 120 days of termination of the agreement due to the DHPL event of default.

As per the terms of the agreement, DHPL may sell equity shares of DHPL to a new entity subject to the condition that DHPL retains at least 51% of the equity of the new entity.

Ind-Barath Power (Madras) Limited - 660 MW thermal power project at Tuticorin District in Tamil Nadu, India.

1. Agreement for long term access with PGCIL

The agreement for long term access dated February 24, 2010 has been executed between PGCIL, IBPML, and Coastal Projects Private Limited to avail long term open access for the 660 MW thermal power project at Manappad, Tuticorin District in Tamil Nadu, to the transmission system of PGCIL. As per the terms of the agreement, IBPML and Coastal Projects Private Limited will share and pay the transmission charges, and open a letter of credit to the extent of 105% of the estimated average monthly billing charges, and a bank guarantee in favour of PGCIL for an amount equal to two months average estimated billing, which shall be valid for three years and be renewed from time to time for the duration of the access. If IBPML and Coastal Projects Private Limited fail to construct the generating station or the dedicated transmission system, or exit or abandon the project, PGCIL will be entitled to damages of an amount of Rs. 500,000.00 per MW. IBPML will receive open access for up to 900.0 MW of electricity until March 2037.

Our Planned Power Projects

Ind-Barath Power (Madras) Limited – Expansion - - 660 MW thermal power project at Tuticorin District in Tamil Nadu, India.

1. Consortium Agreement with Coastal Projects Private Limited and the Company

The consortium agreement dated December 07, 2009 has been executed between IBPML, the Company and Coastal Projects Private Limited for commitment of equity investment by the parties into the 660 MW thermal power project at Manappad Tuticorin District in Tamil Nadu. As per the terms of the Consortium Agreement, our Company will contribute to 20% of the issued equity capital of the project company, AERL will contribute 52% of the issued equity capital of the project company and Coastal Projects Private Limited will contribute to 28% of the project company. The Consortium Agreement is irrevocable and valid till a period of ten years from the date of execution, and may be subsequently renewed on mutually agreed terms.

REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive, and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

Power Generation

Background

The development of electricity industry in India was fashioned by two pieces of legislations namely the Indian Electricity Act, 1910 and the Electricity (Supply) Act, 1948 (“**Supply Act**”). The Electricity Act, 1910 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, an SEB was 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 liberalised 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 rationalising the prevailing electricity tariff regime and promoting and regulating the electricity industry in the country.

On the other hand, in view of the growing interest of the foreign investors government has allowed 100% FDI in generation, transmission and distribution.

Salient features of the Electricity Act, 2003

The Electricity Act, 2003 (“**Electricity Act**”) is a central unified legislation relating to generation, transmission, distribution, trading and use of electricity that seeks to replace the multiple legislations that governed the Indian power sector. The most significant reform initiative under the Electricity Act was the move towards a multi buyer, multi seller system as opposed to the existing structure which permitted only a single buyer to purchase power from power generators. In addition, Electricity Act provides for a greater flexibility and grants the respective electricity regulatory commission’s greater freedom in determining tariffs, without being constrained by rate-of-return regulations. The Electricity Act seeks to encourage competition with appropriate regulatory intervention. An Appellate Tribunal to hear appeals against the decision of the CERC and SERCs has been established. However, Electricity Act provided that transmission, distribution and trade of electricity are regulated activities which require licenses from the appropriate electricity regulatory commission, unless exempted by the appropriate government in accordance with the provisions of Electricity Act. The Electricity Act was amended in 2007 to exempt captive power generation plants from licensing requirements for supply to any licensee or consumer. Government has also announced National Electricity Policy in 2005 to guide the development of the electricity sector in India.

Licensing

The Electricity Act stipulates that no person can transmit or distribute or undertake trading in electricity, unless he is authorised to do so by a licence issued under section 14, or is exempt under section 13 of the Electricity Act. It provides for transmission licensee, distribution licensee and licensee for electricity trading. There can be a private distribution licensee as well.

Generation

Currently, under Indian law, any generating company can establish, operate and maintain a generating station if it complies with the technical standards relating to connectivity with grid. Approvals from the Central Government, State Government and the techno-economic clearance from the CEA are no longer required, except for hydroelectric projects. Generating companies are now permitted to sell electricity to any licensees and where permitted by the respective state regulatory commissions, to consumers.

In addition, no restriction is placed on setting up of captive power plant by any consumer or group of consumers for their own consumption. Under 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 of the Electricity Act was amended to state that no separate license is required for supply of electricity generated from the captive power plant to any licensee or the consumer.

The respective regulatory commissions determine the tariff for supply of electricity from a generating company to any distribution licensee, transmission of electricity, wheeling of electricity and retail sale of electricity. The CERC has the jurisdiction over generating companies owned or controlled by Central Government and those generating companies who have entered into or otherwise have a composite scheme for generation and sale in more than one state. The SERCs have jurisdiction over generating stations within the state boundaries, except those under the CERC's jurisdiction.

Transmission

Transmission being a regulated activity, involves intervention of various players. The Central Government is responsible for facilitating transmission and supply, particularly, inter-state, regional and inter-regional transmission. 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, Central Government will facilitate voluntary inter-connections and coordination of facilities for the inter-state, regional and inter-regional generation and transmission of electricity.

CEA is required to prescribe certain grid standards under the Electricity Act and every transmission licensee must comply with such technical standards of operation and maintenance of transmission lines. In addition, every transmission licensee is required to obtain a license from the CERC and the respective SERCs, as the case may be.

The CERC has, vide notification dated May 26, 2009 issued the CERC (Procedure, Terms and Conditions for grant of Transmission License and other related matters) Regulations, 2009 (the “**Transmission License Regulations**”). The Transmission License Regulations while laying down the procedure for the grant of license provides that no person shall be eligible for grant of license unless selected through bidding under the guidelines for competitive bidding, a state owned or controlled company identified as a project developer, or a generating company which has established the dedicated transmission line, and intends to use the same as main transmission line and part of the inter-State transmission system. In case the licensee has been selected in accordance with the guidelines for competitive bidding, transmission charges shall be adopted by the CERC in accordance with section 63 of the Electricity Act. The licensee is to pay fees in accordance with the CERC (Payment of Fees) Regulations, 2008. The license shall remain in force for 25 years unless revoked earlier.

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. Electricity Act prohibits CTU and STU from engaging in the business of generation or trading in electricity.

Under the Electricity Act, the Government of India was empowered to establish the National Load Dispatch Centre (“NLDC”) and RLDCs for optimum scheduling and despatch of electricity among the RLDCs. The RLDCs are responsible for (a) optimum scheduling and despatch of electricity within the region, in accordance with the contracts entered into with the licensees or the generating companies operating in the region; (b) monitoring grid operations; (c) keeping accounts of the quantity of electricity transmitted through the regional grid; (d) exercising supervision and control over the inter-state transmission system and (e) carrying out real time operations for grid control and despatch of electricity within the region through secure and economic operation of the regional grid in accordance with the grid standards and grid code.

The transmission licensee is required to comply with the technical standards of operation and maintenance of transmission lines as specified by CEA, building, maintaining and operating an efficient transmission system, providing non-discriminatory open access to its transmission system for use by any licensee or generating company on payment of transmission charges and surcharge in accordance with the Electricity Act.

The Electricity Act allows IPPs open access to transmission lines. The provision of open access is subject to the availability of adequate transmission capacity as determined by the Central / State Transmission Utility. The Electricity 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.

On March 16, 2009, the Ministry of Power laid down the procedure for seeking approval for constructing, maintaining and operating dedicated transmission lines. Under the said procedure, the applicant, being a private transmission company or a generating company, is required to:

- cause such transmission scheme to be published in the official gazette and in at least two local daily newspapers along with a notice of the date, before which any interested person may make a representation on such scheme;
- take into consideration the objections/ representations, before finalising the optimal route alignment;
- submit a certificate along with application under Section 164 of the Electricity Act;
- submit to the central electricity authority newspaper publications of the scheme, authenticated maps showing the details of the selected route alignment of the transmission lines and justification of the selection of the route alignment.

The CERC vide notification dated May 20, 2009 has amended the CERC (Open Access in inter State Transmission) Regulation, 2008 by the CERC (Open Access in inter-State Transmission) (Amendment) Regulation, 2009 (“**Amendment Regulation 2009**”) which is applicable to the applications for grant of short term open access received on or after June 15, 2009. The Amendment Regulation, 2009 provides that the long-term customer and the medium term customer shall have priority over the short-term customer for use of inter-State transmission system. The short-term customer shall be eligible for short-term open access over the surplus capacity available on the inter-State transmission system after use by the long-term customer and the medium term customer by virtue of inherent design margins, margins available due to variation in power flows and margin available due to in-built spare transmission capacity created to cater to future load growth or generation addition. Apart from amending the procedure for obtaining an application for concurrence or no objection or prior standing clearance from the State Load Dispatch Centre (“SLDC”), the Amendment Regulation, 2009 also lays down the transmission charges payable by the short-term customer. The Amendment Regulation 2009 also provides that the NLDC and RLDC, when directed by the CERC, shall not grant short-term open access to entitles and associates of such entitles who consistently and wilfully default in payments.

Trading

The Electricity Act specifies trading in electricity as a licensed activity. Trading has been defined as purchase of electricity for resale. This may involve wholesale supply (that is purchasing power from generators and selling to the distribution licensees) or retail supply (that is purchasing from generators or distribution licensees for sale to end consumers). The license to engage in electricity trading is required to be obtained from the relevant electricity regulatory commission.

The CERC, vide notification dated February 16, 2009, issued the CERC (Procedure, Terms and Conditions for grant of trading license and other related matters) Regulations, 2009 (“**Trading License Regulations**”) to regulate the inter-state trading of electricity. The Trading License Regulations define inter-state trading as transfer of electricity from the territory of one state for resale to the territory of another state and includes electricity imported from any other country for resale in any state of India.

In terms of the Trading License Regulations, any person desirous of undertaking inter-state trading in electricity shall make an application to the CERC for the grant of license. The Trading License Regulations set out various qualifications for the grant of license for undertaking electricity trading, including certain technical and professional qualifications, and net worth requirements. The Trading License Regulations have been amended on May 25, 2009 whereby the applicant not being considered a fit and proper person for grant of license has been removed as a ground for disqualification for grant of license. An applicant is required to publish notice of his application in daily newspapers to facilitate objections, if any, to be filed before CERC. Further, a licensee is subject to certain conditions including the extent of trading margin, maintenance of records and submission of auditors’ report. The existing licensees are required to meet the net worth, current ratio and liquidity ratio criteria within a period up to March 31, 2010 and are required to pay license fee as specified by the CERC, from time to time.

The eligibility criteria include norms relating to capital adequacy and technical parameters. However, the National and Regional Load Despatch Centres, Central and State Transmission Utilities and other transmission licensees are not allowed to trade in power, to prevent unfair competition. The relevant electricity regulatory commissions also have the right to fix a ceiling on trading margins in intra-state trading.

Distribution and Retail Supply

The Electricity Act does not make any distinction between distribution and retail supply of electricity. Distribution is a licensed activity and distribution licensees are allowed to undertake trading without any separate license. Under Electricity Act, no license is required for the purposes of supply of electricity. Thus, a distribution licensee can undertake three activities: trading, distribution and supply through one license. The distribution licensee with prior permission of the Appropriate Commission may engage itself in any other activities for optimal utilisation of its assets.

Unregulated Rural Markets

The licensing requirement does not apply in cases where a person intends to generate and distribute electricity in rural areas as notified by the state government. However, the supplier is required to comply with the requirements specified by the CEA such as protecting the public from dangers involved, eliminating/reducing the risks of injury, notify accidents and failures of transmission and supplies of electricity. It shall also be required to comply with system specifications for supply and transmission of electricity. 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 conceptualise rural power as a business opportunity.

Tariff Principles

Electricity Act has introduced significant changes in terms of tariff principles applicable to the electricity industry. Earlier, the rate of return regulation as prescribed in the Sixth Schedule of the Supply Act, which envisaged a two-part tariff, was the basis of tariff determination. Even in the case of state reform acts, this Sixth Schedule was retained as the basis. Electricity Act has done away with this provision and the two-part tariff mechanism.

Under 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;
- retail sale of electricity. Provided that in case of distribution of electricity in the same area by two or more distribution licensees, the Appropriate Commission may, for promoting competition among distribution licensees, fix only maximum ceiling of tariff for retail sale of electricity.

The appropriate Electricity Regulatory Commission is required to be guided by the following while determining tariff:

- the principles and methodologies specified by the CERC for determination of the tariff applicable to generating companies and licensees;
- generation, transmission, distribution and supply of electricity are conducted on commercial principles;
- the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments;
- safeguarding consumers interest and also ensure recovery of the cost of electricity in a reasonable manner;
- incorporate principles which reward efficiency in performance;
- multi year tariff principles;
- tariff progressively reflects the cost of supply of electricity, at an adequate and improving level of efficiency;
- that the tariff progressively reduces and eliminates cross subsidies in the manner to be specified by the CERC;
- the promotion of co-generation and generation of electricity from renewable sources of energy and
- the National Electricity Policy and Tariff Policy.

It is to be noted that unlike the ERC Act, the respective electricity regulatory commissions have not been expressly permitted to depart from the tariff determining factors set out above.

However, 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 CERC has introduced the CERC (Terms and Conditions of Tariff) Regulations, 2009 on January 19, 2009 to be effective from April 01, 2009 for a period of five years. These regulations are applicable in all cases where tariff for generation station or a unit thereof (other than those based on non-conventional energy sources) and the transmission system is to be decided by the CERC.

The Ministry of Power has issued detailed guidelines for competitive bidding as well as draft documentation (PPAs) for competitively bid projects.

The determination of tariff for a particular power project would depend on the mode of participation in the project. Broadly, the tariffs can be determined in two ways: (i) based on the tariff principles prescribed by the CERC (cost-plus basis consisting of a capacity charge, an energy charge, an unscheduled interchange charge and incentive payments); or (ii) competitive bidding route where the tariff is purely market based.

Modes of participation in power projects

Government of India 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;
- finalising the term of loans and/or or other debt;
- finalising the extent of foreign exchange protection;
- fixing operating parameters within the prescribed ceilings;
- identifying Deemed Generation provisions;
- evaluating the extent of dispatchability;
- 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 Electricity Act, the CEA does not have the power to determine capital cost for the projects anymore and the requisite filings for approval of capital cost and tariff are with the regulatory commissions.

This cost plus tariff mechanism is not ideally suited for competitive bidding as this would require bidding on every element of cost of generation which becomes difficult to verify and monitor over the life of the PPA. Further, the nature of costs for IPPs is very different from public sector power project costs and in the absence of complete knowledge of cost profile, it would be impossible to design a competitive bidding process based on cost plus approach that is fair to both sides thereby eliciting good investor response. In light of the same, the competitive bid route was envisaged.

Bid Route

Bidding essentially is based on bulk power tariff structure. As noted, under Electricity Act, the regulatory commission is required to adopt a bid- based tariff, although the Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensee (“**Bidding Guidelines**”) permit the bidding authority to reject all price bids received. The Bidding Guidelines recommend bid evaluation on the basis of levelised tariff. The Bidding Guidelines envisages two types of bids: Case I bids, where the location, technology and fuel is not specified by the procurers, i.e. the generating company has the freedom to choose the site and the technology for the power plant; and Case II bids, where the projects are location specific and fuel specific.

Tariff rates for procurement of electricity by distribution licensees (Procurer), to be decided, can be for:

- long-term procurement of electricity for a period of 7 years and above;
- Medium term procurement for a period of up to 7 years but exceeding 1 year.

For long-term procurement under tariff bidding guidelines, a two-stage process featuring separate 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. The Tariff Policy, 2006 has been amended in March 31, 2008 to provide that the developer of a hydroelectric project, which is not a state owned or controlled company, would have the option of getting the tariff determined by the appropriate commission on the basis of performance based cost of service regulations, provided certain conditions are fulfilled. The conditions, *inert alia*, provide that the appropriate commission is satisfied that the project site has been allotted by the State Government after following a transparent two stage process, the concurrence of CEA, if required, financial closure, award of work and final PPA of specified capacities with distribution licensees are completed by March 31, 2012. The projects of more than 100 MW design capacity for which project sites have been earlier awarded would also be covered by this dispensation.

The Ministry of Power amended the Bidding Guidelines on March 27, 2009. It envisages that the Central Government may issue the guidelines for the procurement of electricity for a period of less than one year. The amendments have also, *inter alia*, reduced the timelines for the bidding process in the case of a single stage bid process to 120 days. Furthermore, the amendments stressed on the importance of completion of preparatory activities on time, in cases where the location, technology and fuel is not specified by the procurers, to ensure timely commencement of supply of electricity being procured and to convince the bidders about the irrevocable intention of the procurer. Further to these amendments, the bidders are required to submit along with their bid, documents in support of having initiated specific actions for project preparatory activities in respect of certain matters such as site identification and land acquisition, environmental clearance for the power station, forest clearance (if applicable) for the land for the power station, fuel arrangements and water linkage.

Mega Power Projects Policy

The Mega Power Policy was introduced by Ministry of Power on November 10, 1995, wherein projects with capacity of 1,000 MW and more and catering power to more than one state were classified as mega power projects.

The following conditions are required to be fulfilled by the developer of power projects for grant of Mega Power Project status:

- an inter-state thermal power plant with a capacity of 700 MW or more, located in the States of Jammu and Kashmir, Sikkim, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura; or
- an inter-state thermal power plant of a capacity of 1,000 MW or more, located in States other than those specified in clause (a) above; or
- an inter-state hydro electricity power plant of a capacity of 350 MW or more, located in the States of Jammu and Kashmir, Sikkim, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura; or
- an inter-state hydro electricity power plant of a capacity of 500 MW or more, located in States other than those specified above.

Fiscal concessions/benefits available to the Mega Power Projects:

- Zero Customs Duty: The import of capital equipment would be free of customs duty for these projects.
- Deemed Export Benefits: deemed export benefits are available to domestic bidders for projects both under public and private sector on meeting certain requirements. Our Company is eligible for certain tax benefits under chapter 8 titled “Deemed Exports” of Foreign Trade Policy. Under the policy supply of goods for power projects are eligible for refund of customs and central excise duty subject to certain conditions as laid down under the policy, including that supplies are made under the procedure of International Competitive Bidding. Our Company has followed the International Competitive Bidding procedures for the Amravati Power Project Phase I and Bhaiyathan Power Projects.
- Pre-conditions for availing the benefits: Goods required for setting up of any mega power project, qualify for the above fiscal benefits after the project is certified that:
 - (i) the power purchasing States have granted to the Regulatory Commissions full powers to fix tariffs;
 - (ii) the power purchasing States undertakes, in principle, to privatise distribution in all cities, in that State, each of which has a population of more than one million, within a period to be fixed by the Ministry of Power.
- Income Tax benefits: In addition, the income-tax holiday regime as per Section 80-IA of the Income Tax Act 1961 is also available.

The Ministry of Power has also issued guidelines for ultra mega power projects, wherein it has emphasised on developments of UMPPs of approximately 4,000 MW each involving the estimated investment of Rs. 160,000.00 million. The said guidelines provides for salient features and choice of technology for UMPPs, the bidding process, selection of sites for setting of UMPPs and role of special purpose vehicles.

National Hydro Power Policy, 2008

The National Hydro Power Policy was notified by the Government of India, setting out the following objectives: (a) inducing private investment in hydropower development; (b) harnessing the balance hydroelectric potential; (c) improving resettlement and rehabilitation and (d) facilitating financial viability. The salient features of this policy are set forth below:

- The existing dispensation available to the public sector regarding exemption from tariff based bidding up to January 2011 is extended to private sector hydroelectric projects;
- State governments would be required to follow a transparent procedure for awarding potential sites to the private sector;
- The concerned private developer would be required to following the existing procedure, including getting the DPR prepared, obtaining concurrence of the CEA/State government, obtaining environment, forest and other statutory clearance and then approach the appropriate regulator. It would be obligatory for the developers to go through an international competitive bidding process for award of contract for supply of equipment and construction of the project either through a turnkey contract or through a few well defined

- packages;
- Tariff of the project would be decided by the appropriate commission;
- Special incentive for merchant sales of up to 40% of the saleable energy is envisaged for the project(s) meeting the time lines;
- An additional 1% free power from the project would be provided and earmarked for local area development fund, aimed at providing a regular stream of revenue for income generation and welfare schemes, creation of additional infrastructure and common facilities on a sustained and continued basis over the life of the project. It is further recommended that the host State government would also provide a matching 1% from their share of 12% free power towards this corpus fund. This fund could be operated by a standing committee headed by an officer of the State government not lower than a district magistrate;
- For 10 years from the date of commissioning of the project, 100 units of electricity per month would be provided by the project developer to each project affected family through the relevant distribution company and
- In the interest of speedy implementation of hydroelectric projects, it is proposed that the Resettlement and Rehabilitation package be more liberal than the National Resettlement and Rehabilitation Policy, 2007.

Roles of key organisations and players

The roles and functions of certain key organisations and players that operate in the power sector have been set out below:

Central and State Governments

The Electricity Act reserves a significant involvement of the central government in the functioning of the power sector. It has been assigned a number of duties, including planning and policy formulation, rule making, appointing, establishing, designating authority, prescribing duties and other tasks, funding, and issuing directions.

The central government designates a CTU and establishes the NLDC, RLDC, the Appellate Tribunal, the Coordination Forum, and the Regulators' Forum. It has the power to vest the property of a CTU in a company or companies and decide on the jurisdiction of benches of the Appellate Tribunal. It also prescribes the duties and functions of the CEA, NLDC and RLDC.

The Central Government is also responsible for the following: a) specifying additional requirements for granting more than one distribution licensee; b) providing no-objection certificates for granting license if the service area includes central government installations such as cantonment, aerodrome, defence area, etc; c) demarcating the country into transmission regions for the purpose of inter-state transmission; d) issuing guidelines for transparent bidding process; e) approving the salary and benefits of the employees of the CEA, CERC and Appellate Tribunal; f) referring cases to the Appellate Tribunal for removal of members of the CERC on the ground of misbehaviour; and g) prescribing the procedures for inquiry into misbehaviour by members.

The state government exercises appointing, designating powers, provides funds and makes rules notifications, etc. It has the powers to appoint or remove members of the SERC including the chairman, to approve the terms and conditions of appointment of the secretary to the SERC and other staff. It is also responsible for constituting the selection committee for appointing members of SERC. It establishes the 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 utilise the fund and how it should maintain accounts. The state government can also provide subsidy to consumers, but 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 Electricity Act retains the agency by relegating it mostly to a consultative role. There was some overlap of duties and power between the CERC and the CEA earlier, which Electricity Act has now removed. The technical clearance required for power projects under the provisions of the Supply Act has been eliminated, except in cases of hydro projects above a certain capital investment.

Electricity Regulatory Commissions

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, 2005, Tariff Policy, 2006 and the National Electricity Plan while discharging their functions under Electricity Act. The Electricity Regulatory Commissions are also guided by any direction given by the central government for CERC or the state government for the SERC pertaining to any policy involving public interest. The decision of the government is final and non-challengeable with respect to the question that whether directions pertain to policy involving public interest or not. The commissions have been entrusted with a variety of functions including determining tariff, granting licensees, settling disputes between the generating companies and the licensees. The Electricity Regulatory Commissions are a quasi-judicial authority with powers of a civil court and an appeal against the orders of the Commissions lie to the Appellate Tribunal.

Appellate Tribunal

Under the earlier electricity legislations, the High Court was the appellate authority against orders that are passed by the SERC. Under 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 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. The Electricity Regulatory Commissions may direct the generating company/licensee to take such action as may be necessary upon receipt of report from such Investigation Authority.

Electrical Inspector

If the relevant government receives a complaint that there has been an accident in connection with the generation, transmission, distribution or supply of electricity or that in case of use of electrical lines or electrical plant, there is a likelihood of injury to human being or animal, it may require an Electrical Inspector to inquire and report as to the cause of the accident and the manner and extent to which the provisions of Electricity Act have been complied with. The Electrical Inspector is vested with the powers of a civil court under the Civil Procedure Code, 1908 for enforcing the attendance of witnesses and compelling the production of documents and material objects.

Foreign Investment Regulation

The industrial policy was formulated in 1991 to implement the Government's liberalisation programme and consequently industrial policy reforms relaxed industrial licensing requirements and restrictions on foreign investment. The procedure for investment in the power sector has been simplified for facilitating FDI. FDI is allowed under the automatic route for 100 % in respect of projects relating to electricity generation, transmission and distribution, other than atomic reactor power plants. There is no limit on the project cost and the quantum of FDI.

Indian Energy Exchange for Online Trading in Electricity

Indian Energy Exchange (“**IEEX**”) 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.

Environmental Regulations

Our Company has to comply with the provisions of the Environmental Protection Act, 1986, relevant Forest Conservation Acts, Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Waste (Management and Handling) Rules, 1989. Our Company is required to obtain and maintain statutory clearances relating to pollution control and environment in relation to its power projects.

The Environment (Protection) Act, 1986 (“EPA”)

The EPA is an umbrella legislation in respect of the various environmental protection laws in India. The EPA vests the Government of India with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for inter alia, laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to Rs. 100,000.00 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 (“EIA Notification”)

The EIA Notification issued under the EPA and the Environment (Protection) Rules, 1986, as amended, provides that the prior approval of the Ministry of Environment and Forests or State Environment Impact Assessment Authority, as the case may be, is required for the establishment of any new project and for the expansion or modernisation of existing projects specified in the EIA Notification. The EIA Notification states that obtaining of prior environmental clearance includes a maximum of four stages, i.e., screening, scoping, public consultation and appraisal.

An application for environmental clearance is made after the identification of prospective site(s) for the project and/or activities to which the application relates but before commencing any construction activity, or preparation of land, at the site by the applicant. Certain projects which require approval from the State Environment Impact Assessment Authority may not require an Environment Impact Assessment Report. For projects that require preparation of an Environment Impact Assessment Report public consultation involving both public hearing and written response is conducted by the State Pollution Control Board. The appropriate authority makes an appraisal of the project only after a Final EIA Report is submitted addressing the questions raised in the public consultation process.

The prior environmental clearance granted for a project or activity is valid for a period of ten years in the case of river valley projects, project life as estimated by Expert Appraisal Committee or State Level Expert Appraisal Committee subject to a maximum of 30 years for mining projects and five years in the case of all other projects and activities. This period of validity may be extended by the regulatory authority concerned by a maximum period of five years.

The Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or imprisonment or both.

The Central Pollution Control Board has powers, *inter alia*, to specify and modify standards for streams and wells, while the State Pollution Control Boards have powers, *inter alia*, to inspect any sewage or trade effluents, and to review plans, specifications or other data relating to plants set up for treatment of water, to evolve efficient methods of disposal of sewage and trade effluents on land, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or a well, to specify standards for treatment of sewage and trade effluents, to specify effluent standards to be complied with by persons while causing discharge of sewage, to obtain information from any industry and to take emergency measures in case of pollution of any stream or well. A central water laboratory and a state water laboratory have been established under the Water Act.

The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. The penalties for the failure to comply with the provisions of the Air Act include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. If an area is declared by the State Government to be an air pollution control area, then, no industrial plant may be operated in that area without the prior consent of the State Pollution Control Board.

Under the Air Act, the Central Pollution Control Board has powers, *inter alia*, to specify standards for quality of air, while the State Pollution Control Boards have powers, *inter alia*, to inspect any control equipment, industrial plant or manufacturing process, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

The Hazardous Wastes (Management and Handling) Rules, 1989 (“Hazardous Wastes Rules”)

The Hazardous Wastes Rules aim to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose such waste without adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste. Every occupier and operator of a facility generating hazardous waste must obtain an approval from the Pollution Control Board. The occupier, the transporter and the operator are liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste. The operator and the occupier of a facility are liable for any fine that may be levied by the respective State Pollution Control Boards. Penalty for the contravention of the provisions of the Hazardous Waste Rules includes imprisonment up to five years and imposition of fines as may be specified in the EPA or both.

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 industrialised 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 fulfil the required standards, VERs can be generated. VERs, however, cannot be used for compliance under the Kyoto Protocol.

Labor Laws and Regulations

Depending upon the nature of the activity undertaken by our Company, applicable labor laws and regulations include the following:

- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- The Employees’ State Insurance Act, 1948;
- The Factories Act, 1948;
- The Industrial Disputes Act, 1947;
- The Payment of Wages Act, 1936;
- The Workmen’s Compensation Act, 1923;
- The Minimum Wages Act, 1948;
- The Payment of Bonus Act, 1965 and
- The Payment of Gratuity Act, 1972

HISTORY AND CERTAIN CORPORATE MATTERS

History of our Company

Our Company was originally incorporated as a private limited company on February 17, 1995 with the name Kanumuri Holdings Private Limited, under the provisions of the Companies Act. Subsequently, by a fresh certificate of incorporation from the RoC dated October 18, 2006, our name was changed to Ind-Barath Power Infra Private Limited. Our Company was converted into a public limited company on May 28, 2008 with the name Ind-Barath Power Infra Limited and received a fresh certificate of incorporation consequent upon change in status on May 29, 2008 from the RoC. Our Company is engaged in the business of power generation. For further details in relation to our business, see “Our Business” on page 139.

Changes in the Registered Office

At the time of incorporation, our Company’s registered office was situated at 110, Amrutha Ville, Rajbhavan Road, Somajiguda, Hyderabad 500 082. With effect from September 02, 2002, for operational efficiency, the registered office of our Company was shifted to its present address at Plot No. 30A, Road No. 01, Film Nagar, Jubilee Hills, Hyderabad 500 033.

Our Shareholders

As of the date of filing of this Draft Red Herring Prospectus, the total number of holders of Equity Shares is 16.

Changes in the activities of our Company during the last five years

Except as otherwise stated in the sections “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, on pages 139 and 392, respectively, there have been no changes in the activities of our Company during the last five years preceding the date of this Draft Red Herring Prospectus, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Key events and milestones

Year	Particulars
October, 2000	Commissioning of 6 MW biomass based power project at Dilawarapur Road, Mriyalguda Village, Nalgonda District in Andhra Pradesh, India
October, 2004	RRREL commissioned 18 MW bio-mass power project
June, 2004	DHPL commissioned 4.5 MW Hydroelectric power project
February, 2006	AERL commissioned 87.3 MW gas power project
November, 2006	AERL commissioned 8 MW gas power project.
June, 2006	IBETL commissioned 20 MW bio-mass power project
June, 2007 and July, 2007	Closure of Rs 2,900.00 million private equity investment by CVCIGP II Client Rosehill Limited, CVCIGP II Employee Rosehill Limited, Gautam Nayak and Keshav Bhujle (acting as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Ajay Relan Trust and CVCIGP II Jayanta Kumar Basu Trust) and UTI pursuant to the CVCII Agreement and UTI Agreement respectively.
December, 2008	IBEUL received a letter of assurance from Mahanadi Coalfields Limited on December 29, 2008 for supply of 1.12 million tonnes per annum,
January 2008 – November 2008 and December 2009	PT Indbharath Energy, enters into various agreements with Yuliani Zaemar and Nurul Primandini, Indonesian citizens, including powers of attorney and pledge agreements issued by Yuliani Zaemar and Nurul Primandini in favour of PT Indbharath Energy, pursuant to which we have the right to operate, or are in the process of acquiring the right to operate, four mining entities in Indonesia, PT IndBharath, PT Iwan Mining, PT Berkat Banua Hampang and PT Krisma Puaka Sejati.
June, 2009	IBEUL entered into a PPA with PTC India to sell 560 MW of power of which 400 MW of power will be sold on long term basis and balance 160 MW of power will be sold on short or medium term basis at a minimum guaranteed tariff.
July 2009	IBEUL received a letter of assurance from Mahanadi Coalfields Limited for supply of 1.95 million tonnes per annum.
October 2009	Closure of Rs 4,250.00 million private equity investment by Sequoia Capital, Bessemer Venture Partners Trust, CVCIGP II Client Ebene Limited, CVCIGP II Employee Ebene Limited, Gautam Nayak and Keshav Bhujle (acting as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Ajay Tandon Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Siva Shankar Trust, CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust), pursuant to the Investment Agreement.
February, 2010	Commissioning of thermal power project of 2 x 63 MW by our 73.9% owned Subsidiary IBPGL at

Year	Particulars
	Pudurpandiapuram, Ottapidaram Taluk, Thoothukudi District in Tamil Nadu
March, 2010	Achieved financial closure of 660 MW thermal power project of our 83.73% owned Subsidiary IBPML
March 2010	Achieved financial closure of 700 MW thermal power project of IBEUL
April 2010	IBPML received an intimation from Mahanadi Coalfields Limited on April 29, 2010 for supply of coal.

Capital raising (Debt / Equity)

Except as set out in the sections titled “Capital Structure” and “Financial Indebtedness” on pages 72 and 356 respectively, our Company has not raised any capital in the form of Equity Shares or debentures.

Main objects

The main objects of our Company as contained in our Memorandum of Association includes:

1. To carry on the business of operating and maintaining electric and all other kinds of power generation projects and construct and provide infrastructure to power projects on erection, procurement and commissioning basis.
2. To carry on the business of providing operating and maintaining facilities relating to electric and all other kinds of power generation projects including responsibility for the day to day operations, routine maintenance and management of the facilities.
3. To make investments, and to buy, hold, sell, underwrite, invest, acquire various securities including equity, preference, stocks, debenture,s debenture-stock, bonds and deposits from financial institutions, banks or other lending agencies, public/ private body or authority, companies, firms or persons within or outside India in the companies engaged in providing infrastructure facilities and all kinds of infrastructure development companies as a promoter, sponsor, developer, advisor, operator or otherwise to carry on all such acts as are required to participate, float or acquire through bidding or negotiated process for any project either in infrastructure or otherwise. To carry on all such acts as are required to participate, float or acquire through bidding or negotiated process for any project either in infrastructure or otherwise.
4. To generate, harness, develop, purchase, accumulate, trade, distribute and supply electricity by setting up hydro and thermal power plants using liquid, gaseous or solid fuels like water, gas, air, naphtha, coal, diesel oil and other petroleum products, or through renewable energy sources such a solar, photo voltaic, wind mill or through any other means and to supply such power either directly or through transmission lines and such other facilities of Central or State Governments or private companies or electricity boards to industries and to Central / State Government, electricity boards and other consumers and to achieve the objectives referred to above either singly or in joint venture with partners, Indian or foreign or through third parties, whether Indian or foreign, on a turnkey basis, and to transmit, distribute, supply and sell power to Central/ State Government, Electricity Boards, and other consumers within the State or otherwise of electricity including those for captive consumption.
5. To transmit, distribute, purchase, sell, trade, import, export or accumulate or otherwise deal in all forms of electrical power in all aspects and to plan, promote, develop, establish transmission and distribution networks or systems or trading platforms from power generating and transmission companies, Central or State Government undertakings, local authorities, or statutory bodies or other persons within India or abroad and to act as agent or representative or any person, pubic or private sector enterprises, financial institutions, banks or Central Government or State Government undertakings engaged in the planning, development, generation, transmission, distribution, supply, trading or financing of power and to engage in activities of investigation, research, design and preparation of feasibility, appraisal or other project reports for generation, transmission, distribution, supply, purchase, sale, trading, import, export, storage and accumulation of all forms of electrical power, both conventional and non-conventional and to engage in all activities incidental thereto.

Changes in our Memorandum of Association

The following changes have been made to our Memorandum of Association since incorporation:

Date of Shareholders' Approval	Particulars of Changes
March 29, 2004	Increase in authorised capital from Rs. 100,000.00 divided in to 10,000 Equity Shares of Rs. 10.00 each to Rs. 150,000,000.00 divided into 20,000 Equity Shares of Rs. 10.00 each and 14,980,000, 10% non-cumulative redeemable preference shares of Rs. 10.00 each.
March 29, 2006	Increase in authorised capital from Rs. 150,000,000.00 divided into 20,000 Equity Shares of Rs. 10.00 each and 14,980,000 10% non-cumulative redeemable preference shares of Rs. 10.00 each to Rs. 349,800,000.00 divided into 20,000,000 Equity Shares of Rs. 10.00 each and 14,980,000, 10% 10 years cumulative non-convertible redeemable preference shares of Rs. 10.00 each.
July 31, 2006	Amendment to clauses 1 to 5 under the Main Objects Part III(A), Clauses 1 to 20 under the Main Objects Part III(B) (Objects incidental or ancillary to the attainment of the main object) and Clauses 1 to 10 under the Main Objects Part III(C) (Other objects: Not included in the main objects or ancillary objects).
September 20, 2006	Increase in authorised capital from Rs. 349,800,000.00 divided into 20,000,000 Equity Shares of Rs. 10.00 each and 14,980,000, 10% 10 years cumulative non-convertible redeemable preference shares of Rs. 10.00 each to Rs. 359,800,000.00 divided into 21,000,000 Equity Shares of Rs. 10.00 each and 14,890,000, 10% 10 years cumulative non-convertible redeemable preference shares of Rs. 10.00 each.
October 09, 2006	Name changed from Kanumuri Holdings Private Limited to Ind-Barath Power Infra Private Limited
November 18, 2006	Amendment to clauses 1 to 5 under the Main Objects Part III(A), Clauses 1 to 20 under the Main Objects Part III(B) (Objects incidental or ancillary to the attainment of the main object) and Clauses 1 to 10 under the Main Objects Part III(C) (Other objects: Not included in the main objects or ancillary objects)
March 26, 2007	Increase in authorised capital from Rs. 359,800,000.00 divided into 21,000,000 Equity Shares of Rs. 10.00 each and 14,890,000, 10% 10 years non-cumulative non-convertible redeemable preference shares of Rs. 10.00 each to Rs. 374,000,000.00 divided into 30,000,000 Equity Shares of Rs. 10.00 each and 7,400,000, 10% 10 years non-cumulative non-convertible redeemable preference shares of Rs. 10.00 each.
December 17, 2007	Increase in authorised capital from Rs. 374,000,000.00 divided into 30,000,000 Equity Shares of Rs. 10.00 each and 7,400,000, 10% 10 years non-cumulative non-convertible redeemable preference shares of Rs. 10.00 each to Rs. 1,534,000,000.00 divided into 30,000,000 Equity Shares of Rs. 10.00 each and 7,400,000 10% 10 years non-cumulative non-convertible redeemable preference shares of Rs. 10.00 each and 1,160,000 0.01% compulsorily convertible participatory cumulative preference shares of Rs. 1000.00 each.
May 28, 2008	Our Company was converted from a private limited company to a public limited company. Consequently the name of the Company was changed from Ind-Barath Power Infra Private Limited to Ind-Barath Power Infra Limited.
October 14, 2009	Increase in authorised capital from Rs. 1,534,000,000.00 divided into 30,000,000 Equity Shares of Rs. 10.00 each and 7,400,000, 10% 10 years non-cumulative non-convertible redeemable preference shares of Rs. 10.00 each and 1,160,000, 0.01% compulsorily convertible participatory cumulative preference shares of Rs. 1000.00 each to Rs. 4,467,333,500.00 divided into 40,000,000 Equity Shares of Rs. 10.00 each and 7,400,000, 10% 10 years non-cumulative non-convertible redeemable preference shares of Rs. 10.00 each, 1,160,000, 0.01% compulsorily convertible participatory cumulative preference shares of Rs. 1000.00 each and 28,333,335, 0.001% compulsorily convertible participatory cumulative preference shares of Rs. 100.00 each.
May 10, 2010	Increase in authorised capital from Rs. 4,467,333,500.00 divided into 40,000,000 equity shares of Rs. 10.00 each, 7,400,000, 10% 10 years non-cumulative non-convertible redeemable preference shares of Rs. 10.00 each, 1,160,000, 0.01% compulsorily convertible participatory cumulative preference shares of Rs. 1,000.00 each and 28,333,335, 0.001% compulsorily convertible participatory cumulative preference shares of Rs. 100.00 to Rs. 5,067,333,500.00 divided into 100,000,000 equity shares of Rs. 10.00 each, 7,400,000, 10% 10 years non-cumulative non-convertible redeemable preference shares of Rs. 10.00 each, 1,160,000, 0.01% compulsorily convertible participatory cumulative preference shares of Rs. 1,000.00 each and 28,333,335, 0.001% compulsorily convertible participatory cumulative preference shares of Rs. 100.00.
June 01, 2010	Increase in authorised capital from Rs. 5,067,333,500.00 divided into 100,000,000 equity shares of Rs. 10.00 each, 7,400,000, 10% 10 years non-cumulative non-convertible redeemable preference shares of Rs. 10.00 each, 1,160,000, 0.01% compulsorily convertible participatory cumulative preference shares of Rs. 1,000.00 each and 28,333,335, 0.001% compulsorily convertible participatory cumulative preference shares of Rs. 100.00 to Rs. 6,067,333,500.00 divided into 200,000,000 equity shares of Rs. 10.00 each, 7,400,000, 10% 10 years non-cumulative non-convertible redeemable preference shares of Rs. 10.00 each, 1,160,000, 0.01% compulsorily convertible participatory cumulative preference shares of Rs. 1,000.00 each and 28,333,335, 0.001% compulsorily convertible participatory cumulative preference shares of Rs. 100.00.

Material agreements

1. Agreement between the Company and certain investors

The agreement dated October 21, 2009 (“**Original Investment Agreement**”) has been executed between the (i) Company, (ii) K. Raghu Ramakrishna Raju, K. Rama Devi, Marubhoomi Consultants Private Limited, Silicon Valley Infotech Limited, Toplight Tradelinks Private Limited, Noble Power Private Limited, Network Power Private Limited, Boston Teknowsys (India) Limited, K. Rama Chandra Rao, Ind-Barath Commodities Limited, Vamsi Industries Limited, B. Rama Krishna, Chintalapati Holdings Private Limited, Deccan Cigarette Centre Private Limited, Bhaskara Transport Private Limited, Sriba Seabase Private Limited (for the purpose of this section collectively referred to as “**Promoters**”), (iii) Sequoia, (iv) Bessemer, (v) CVCII Investors and (vi) UTI (for the purpose of the Original Investment Agreement, collectively referred to as the “**Investors**”).

We have summarised the salient terms of the Original Investment Agreement as below:

In accordance with the terms of the Original Investment Agreement, the parties agreed to invest as follows:

S. No.	Name of Investor	No. of Equity Shares	Price per Equity Share (in Rs.)	No. of CCPS	Price per CCPS (in Rs.)
1.	Sequoia	3,287,402	187.58	12,333,333	100.00
2.	Bessemer	2,043,520	187.58	7,666,667	100.00
3.	CVCIGP II Client Ebene Limited, CVCIGP II Employee Ebene Limited and Gautam Nayak and Keshav Bhujle (as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Ajay Tandon Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust and CVCIGP II Siva Shankar Trust)	2,221,217	187.58	8,333,333	100.00

As per the terms of the Original Investment Agreement, Sriba Seabase Private Limited agreed to subscribe to certain warrants, that would result in a 2.30% equity stake in the Company upon conversion. The Original Investment Agreement specifies the period within which the warrants must be converted. By resolution of the Board dated November 09, 2009 (as amended by resolution of the Board dated May 06, 2010) and shareholders dated May 10, 2010, the terms of conversion of these warrants have been amended. For details, please refer section “Capital Structure - Terms of conversion of Promoter Warrants” at page 82.

The Original Investment Agreement sets out certain rights of the Investors, including their right to information, matters on which the Investors have an affirmative vote, pre-emptive and anti dilution rights and their right to nominate directors on our Board. According to the terms of the Amendment Agreement (defined below), the Original Investment Agreement will terminate immediately upon filing of the Prospectus subsequent to the determination of the Issue Price and subject to the terms of the Amendment Agreement. However, the representation, warranties, and certain clauses under the Original Investment Agreement such as governing law, jurisdiction and notice will survive the Issue and the listing of our Equity Shares.

Further, prior to the investments made under the Original Investment Agreement, UTI had made certain investments in our Company pursuant to the UTI Agreement, and CVCIGP II Client Rosehill Limited, CVCIGP II Employee Rosehill Limited and Gautam Nayak and Keshav Bhujle (acting as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust) had made certain investments in our Company pursuant to the CVCII Agreement.

2. *Amendment to the agreement dated October 21, 2009.*

The amendment agreement dated May 31, 2010 has been executed between: (i) the Company, (ii) K. Raghu Ramakrishna Raju, K. Rama Devi, Sriba Seabase Private Limited, K. Bharat, Nethu Soft Private Limited, NTC Advisors Private Limited and Fouress Consultants Private Limited, (iii) Sequoia, (iv) Bessemer, (v) CVC Investors and (vi) UTI (“**Amendment Agreement**”) amending the terms of conversions of (i) the Class B Preference Shares held by Series II Investors; and (ii) the Class A Preference Shares held by Sriba Seabase Private Limited, CVC Series I Investors and UTI. Sequoia, Bessemer, CVC Investors and UTI are collectively referred to as the “Investors”.

Of the Investors, CVC and UTI have each agreed to participate in the Issue which, in addition to an issue of Equity Shares by the Company, comprises of an offer for sale of a certain number of Equity Shares held by the CVC, UTI and Sriba Seabase Private Limited.

The Amendment Agreement is effective immediately upon the date of its execution and will remain valid subject to and in accordance with the provisions of the Amendment Agreement.

The conversion mechanism of Class A Preference Shares and Class B Preference Shares is detailed at section titled ‘Capital Structure’ on page 72.

Fall away provisions: In accordance with the terms of the Amendment Agreement, certain provisions of the Agreement fall away:

- (a) Clause 8 (*‘The Price Band at which listing of the Company and/or any Subsidiary shall occur;’*) of Schedule 10 to the Agreement and Clause 15.23 of the Agreement will stand deleted.
- (b) The Amendment Agreement provides that Clauses 15.3 and 15.4 of the Agreement will stand substituted with the following:

“15.3 Each of the Parties expressly agree that (i) the number of Equity Shares that can be offered by a divestiture of all or a part of the Equity Shares held by all the Shareholders of the Company, (ii) the price band (including any revisions thereof), (iii) the pricing date (i.e., the date on which the final QIPO price is finalised), (iv) the final price at which the Equity Shares will be allotted in the QIPO, and (v) the withdrawal (if any) of the QIPO will be determined by the Company and Selling Shareholders jointly in writing, in consultation with the BRLMs, in compliance with applicable SEBI guidelines.

15.4 The Parties agree that the pricing, allocation, issue and allotment of Equity Shares to ‘anchor investors’ (as understood under applicable SEBI guidelines) to the QIPO shall be decided solely by the Company, in consultation with the BRLMs.”

Subject to the Amendment Agreement but notwithstanding anything contained in the Agreement, the Agreement will terminate (except to the extent that provisions therein are to survive such termination), immediately upon filing of the Prospectus subsequent to the determination of the Issue Price. However, if (i) the Company withdraws the DRHP after the same has been filed as mentioned above; or (ii) the Company resolves (through its Board or shareholders) not to proceed with the Issue or (iii) upon filing of the Prospectus, in the event the listing does not happen within ten weeks from the date of the closure of the Issue (as required under Section 73 of the Companies Act) or (iv) if a Issue does not take place on or before November 29, 2010 or (v) if the Draft Red Herring Prospectus is not filed on or before June 30, 2010:

- (a) the Agreement will continue (or, if previously terminated, shall stand reinstated) in full force and effect in all respects as if it had not been terminated and all the rights of the Investors will stand reinstated immediately and with no further action required on the part of any person; and
- (b) the Amendment Agreement will stand terminated and the amendments to the Agreement and the amendments to the characteristics of the Class A Preference Shares and the Class B Preference Shares will stand terminated and the original provisions of the Agreement and the characteristics of the Class A Preference Shares and the Class B Preference Shares will stand reinstated; and
- (c) (i) to the extent that any Class A Preference Shares or Class B Preference Shares have been converted prior to the termination of the Amendment Agreement, Clause 15.22 of the Agreement will apply,

(ii) the Agreement will continue in full force and effect, (iii) the Promoter shall ensure that, and each other shareholder shall use its rights and powers to the effect that the Articles are, within 7 days of the termination of the Amendment Agreement, amended so as to revert to the original characteristics and the conversion terms of the outstanding Class A Preference Shares and Class B Preference Shares will revert to the original characteristics and the conversion terms of the outstanding Class A Preference Shares will only be adjusted to take into account the extent to which the Class A Preference Shares have already converted pursuant to the Amendment Agreement.

The provisions of the Agreement, save as amended by the Amendment Agreement, will have full force and effect in accordance with their respective terms.

Waiver letters

Waiver letters dated June 07, 2010 executed by each of CVCIGP II Client Ebene Limited, CVCIGP II Employee Ebene Limited, CVCIGP II Client Rosehill Limited, CVCIGP II Employee Rosehill Limited, waiver letter dated June 05 executed by Gautam Nayak and Keshav Bhujle (as trustees of CVCIGP II Vivek Chhachhi Trust, CVCIGP II Ajay Tandon Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Siva Shankar Trust, CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust); waiver letter dated June 16, 2010 executed by Sequoia; waiver letter dated June 16, 2010 executed by Bessemer; and waiver letter dated June 16, 2010 executed by UTI, pursuant to which each of the parties have agreed to waive the transfer restrictions prescribed under the Investment Agreement, in relation to the proposed Offer for Sale of up to 1,300,000 Equity Shares by Sriba Seabase Private Limited. However, the waiver shall cease to be applicable if (i) the Draft Red Herring Prospectus has not been filed on or before June 30, 2010; or (ii) the Issue does not take place on or before November 29, 2010; or (iii) the Company resolves (through its Board or members) not to proceed with the Issue; or (iii) upon filing of the Prospectus, in the event the listing does not happen within ten weeks from the date of the closure of the Issue (as required under Section 73 of the Companies Act).

3. *Upside Payment letter (Series I) issued by CVCI Series I Investors to Sriba Seabase Private Limited.*

The upside payment letter for CVCI Series I Investors dated May 25, 2010 (“**Series I Letter**”) has been issued by CVCI Series I Investors to Sriba Seabase Private Limited.

For the purposes of the Series I Letter “**Promoters**” is a collective reference to K. Raghu Ramakrishna Raju, K. Rama Devi, Marubhoomi Consultants Private Limited, Silicon Valley Infotech Limited, Toplight Tradelinks Private Limited, Noble Power Private Limited, Network Power Private Limited, Boston Teknowsyst (India) Limited, K. Rama Chandra Rao, Ind-Barath Commodities Limited, Vamsi Industries Limited, B. Rama Krishna, Chintalapati Holdings Private Limited, Deccan Cigarette Centre Private Limited, Bhaskara Transport Private Limited and Sriba Seabase Private Limited.

As per the terms of the Series I Letter, the CVCI Series I Investors have agreed to pay Sriba Seabase Private Limited the following amounts (“**Upside Payment**”), I and II, where:

- I. Fifty percent of the difference between (A) & (B).
 - (A) an amount that provides to the CVCI Series I Investors, a 25% IRR on the sum of Rs. 1500.00 million, Rs. 650.00 million and Rs. 350.00 million invested by CVCI Series I Investors on June 14, 2007, December 24, 2007 and April 28, 2008 respectively (under the Original Agreement dated June 03, 2007 in relation to the Company) from the respective date of investment of such amounts, until the Completion Date under the Agreement, and
 - (B) Sum of a) and b) as follows:
 - (i) the amount actually realized by CVCI Series I Investors through sale of Sale Securities (as defined in the share purchase agreement dated October 26, 2009, (“**SPA**”)), which is equal to Rs. 1,275.00 million
 - (ii) the value of the Securities (other than the Sale Securities) held by the CVCI Series I Investors on the Completion Date under the Agreement, based on the final valuation of the Company at which the Series II Securities were issued, determined after taking

into account conversion of all the CCPS and Preference Shares (which valuation shall be adjusted for any shares issued / to be issued to the Promoters pursuant to exercise of any and all warrants and/or options issued to the Promoters); and

Provided that (I) will not exceed Rs. 445.80 million.

II. Fifty percent of the difference between (C) & (D).

(C) amounts received or which should have been received (in case CVCI Series II Investors choose not to pay/transfer to CVCI Series I Investors, being their affiliates) by the CVCI Series I Investors from the Series II Investors pursuant to the terms of the Upside Payment Agreement dated May 22, 2010 between Company, Investors, Promoters, K. Bharath, Nethu Soft Private Limited, NTC Advisors Private Limited and Fouress Consultants Private Limited.

(D) the amounts received by the Promoters (or their assignees) from the Series II Investors pursuant to the terms of the Upside Payment Agreement dated May 22, 2010 between Company, Investors, Promoters, K. Bharath, Nethu Soft Private Limited, NTC Advisors Private Limited and Fouress Consultants Private Limited, which are attributable to the holding of the Sale Securities (as defined in the SPA).

As per the terms of the Series I Letter, the Upside Payment under (I) will be paid within 30 days of successful completion of offer for sale of 6,465,148 shares of the Company by CVCI Series I Investors in the initial public offering of the Company and subject to any governmental approvals required for this purpose and all necessary approvals required for listing purpose having been obtained. Further, if listing approvals are obtained after 30 days of successful completion of offer for sale of 6,465,148 shares of the Company by CVCI Series I Investors in the initial public offering of the Company, the Upside Payment will be paid no later than 7 days of listing on the stock exchanges.

As per the terms of the Series I Letter, the CVCI Series I Investors will be entitled to deduct and set off from the Upside Payment, any and all amounts outstanding to CVCI Investors or their representatives from the Promoters or the Company. The provisions of clauses 20, 21 and 22 of the Agreement will be deemed to be incorporated in the Series I Letter.

4. *Payment letter (Series I) issued by UTI.*

The payment letter for Series I dated May 27, 2010 (“**UTI Series I Letter**”) has been issued by UTI to Sriba Seabase Private Limited. For the purposes of the UTI Series I Letter, K. Raghu Ramakrishna Raju, K. Rama Devi, Marubhoomi Consultants Private Limited, Silicon Valley Infotech Limited, Toplight Tradelinks Private Limited, Noble Power Private Limited, Network Power Private Limited, Boston Teknowsys (India) Limited, K. Rama Chandra Rao, Ind-Barath Commodities Limited, Vamsi Industries Limited, B. Rama Krishna, Chintalapati Holdings Private Limited, Deccan Cigarette Centre Private Limited, Bhaskara Transport Private Limited, Sriba Seabase Private Limited are collectively referred to as “**Promoters**”.

As per the terms of the UTI Series I Letter, UTI has agreed to pay Sriba Seabase Private Limited the sum of amounts I and II below (“**Payment**”), where:

I. Fifty percent of the difference between (A) & (B).

(A) an amount that provides to UTI, a 25% IRR on the sum of Rs. 240.00 million, and Rs. 160.00 million invested by UTI on July 18, 2007 and December 27, 2007 and April 28, 2008 respectively (under the Original Investment Agreement dated July 12, 2007 in relation to the Company) from the respective date of investment of such amounts, until the Completion Date under the Agreement, and

(B) the value of the Securities held by UTI on the Completion Date under the Agreement, based on the final valuation of the Company at which the Series II Securities were issued, determined after taking into account conversion of all the CCPS and Preference Shares (which valuation shall be adjusted for any shares issued / to be issued to the Promoters (as defined under the Investment Agreement) pursuant to exercise of any and all warrants and/or options issued to the Promoters), provided that I will not exceed Rs. 72.617 million; and

II. Fifty percent of (C) where:

- (C) amounts received by UTI from the Series II Investors pursuant to the terms of the Upside Payment Agreement dated May 22, 2010 between Company, Investors, Promoters (as defined under the Investment Agreement), K. Bharath, Nethu Soft Private Limited, NTC Advisors Private Limited and Fouress Consultants Private Limited.

As per the terms of the UTI Series I Letter, the Payment will be paid within 30 days of successful completion of offer for sale of 1,000,000 shares of the Company by UTI in the initial public offering of the Company and subject to any governmental approvals required for this purpose and all necessary approvals required for listing purpose having been obtained. Further, if listing approvals are obtained after 30 days of successful completion of offer for sale of 1,000,000 shares of the Company by UTI in the initial public offering of the Company, the Payment will be paid no later than 7 days of listing on the stock exchanges.

As per the terms of the UTI Series I Letter, UTI will be entitled to deduct and set off from the Payment, any and all amounts outstanding to UTI from the Promoters or the Company. The provisions of clauses 20, 21 and 22 of the Agreement will be deemed to be incorporated in the UTI Series I Letter.

5. *Upside payment agreement between the Company and certain investors.*

The upside payment agreement dated May 22, 2010 (“**Series II Agreement**”) has been executed between: (i) our Company, (ii) Promoters, (iii) Sequoia, (iv) Bessemer, (v) CVCI Investors, (vi) UTI, (vii) Nethu Soft Private Limited, (viii) NTC Advisors Private Limited, (ix) Fouress Consultants Private Limited and (x) K. Bharat. Sequoia, Bessemer and CVCI Series II Investors are collectively referred to as “**Series II Investors**”. For the purposes of the Series II Agreement, K. Raghu Ramakrishna Raju, K. Rama Devi and Sriba Seabase Private Limited, are collectively referred to as “**Promoters**”.

As per the terms of the Series II Agreement, the Series II Investors have agreed that if their respective aggregate returns realised on their investments in the Company are in excess of 25% IRR on their respective investment amounts in the Company, the relevant Series II Investor would pay 50% of such excess amounts to the Sriba Seabase Private Limited and Series I Investors in the Promoter Series I Investor Proportion. Provided however that if the DRHP is filed by the Company prior to the expiry of 1 (one) year from the Completion Date, the Series II Investors agree to pay 50% of only such part of their realisation which is in excess of an amount equivalent to the higher of: (i) 25% IRR on their respective amounts; or (ii) 1.67 times their respective investment amounts.

I. *Series II Investors’ Obligations:* As per the terms of the Series II Agreement:

- (a) If the aggregate returns realised by Sequoia in terms of para II below on the Sequoia Equity Shares, are in excess of an amount equivalent to the higher of (i) 25% IRR on the Sequoia Investment Amount; or (ii) 1.67 times of the Sequoia Investment Amount (“**Sequoia Return**”), such excess amounts, hereinafter referred to as the “**Sequoia Upside Return Amount**”, then Sequoia shall pay 50% of the Sequoia Upside Return Amount (“**Sequoia Promoter Entitlement**”) to the Sriba Seabase Private Limited and the Series I Investors in the manner contemplated in para II below.
- (b) If the aggregate returns realised by Bessemer in terms of para II below on the Bessemer Equity Shares, are in excess of an amount equivalent to the higher of: (i) 25% IRR on the Bessemer Investment Amount; or (ii) 1.67 times of the Bessemer Investment Amount (“**Bessemer Return**”), such excess amounts, hereinafter referred to as the “**Bessemer Upside Return Amount**”, then Bessemer shall pay 50% of the Bessemer Upside Return Amount (“**Bessemer Promoter Entitlement**”) to the Sriba Seabase Private Limited and the Series I Investors in the manner contemplated in para II below.
- (c) If the aggregate returns realised by CVCI Series II Investors in terms of para II below on the CVCI Equity Shares, are in excess of an amount equivalent to the higher of (i) 25% IRR on the CVCI Series II Investment Amount; or (ii) 1.67 times of the CVCI Series II Investment Amount (“**CVCI Return**”), such excess amounts, hereinafter referred to as the “**CVCI Upside Return Amount**”, then CVCI Series II Investors shall pay 50% of the CVCI Upside

Return Amount (“**CVCI Promoter Entitlement**”) to the Sriba Seabase Private Limited and the Series I Investors in the manner contemplated in para II below.

II. *Timing and Mechanism for Payment of Returns:*

- (a) Unless otherwise agreed between the parties, at any time, during a proposed partial or complete exit, if the cash returns realized by any of the Series II Investors exceed the Sequoia Return, the Bessemer Return or the CVCI Return (as the case may be) (the “**Respective Return**”), then the relevant Series II Investor shall:
 - (i) if the relevant Series II Investor has realized returns in excess of the Respective Return through a transfer of all (and not less than all) the Equity Shares held by the relevant Series II Investor, pay an amount equivalent to 50% of return received by the relevant Series II Investor which is in excess of the Respective Return, to Sriba Seabase Private Limited and Series I Investors in their Promoter Series I Investor Proportion, and/or
 - (ii) if the relevant Series II Investor has realized returns in excess of the Respective Return through a transfer of a part of the Equity Shares held by the relevant Series II Investor, pay an amount equivalent to 50% of the return received by the relevant Series II Investor which is in excess of the Respective Return realised as a result of such part transfer, to Sriba Seabase Private Limited and Series I Investors in their Promoter Series I Investor Proportion and in any subsequent transfers (made at the discretion of the relevant Series II Investor) after the transfer which has provided the relevant Series II Investor its Respective Return, the relevant Series II Investor will be required to pay to the Sriba Seabase Private Limited and Series I Investors in their Promoter Series I Investor Proportion, an amount equivalent to 50% of the realised sale proceeds of each subsequent transfer.
- (b) The above cash payments would be undertaken within 10 days from the date of the partial or complete exit (as the case may be) by the relevant Series II Investor.
- (c) The method by which the payment of the Relevant Promoter Entitlement will be made will be determined at the sole discretion of the relevant Series II Investor without diluting in any manner the Series II Investors’ obligations set out in the Series II Agreement.

The Series II Agreement may be terminated either by mutual consent of the parties or automatically, if the DRHP is not filed on or before June 30, 2010.

6. *Side Agreement between the Company and certain investors.*

The side agreement dated October 21, 2009 been executed between the (i) Company, (ii) K. Raghu Ramakrishna Raju, K. Rama Devi, Marubhoomi Consultants Private Limited, Silicon Valley Infotech Limited, Toplight Tradelinks Private Limited, Noble Power Private Limited, Network Power Private Limited, Boston Teknowsys (India) Limited, K. Rama Chandra Rao, Ind-Barath Commodities Limited, Vamsi Industries Limited, B. Rama Krishna, Chintalapati Holdings Private Limited, Deccan Cigarette Centre Private Limited, Bhaskara Transport Private Limited, Sriba Seabase Private Limited (for the purpose of this section collectively referred to as “**Promoters**”), (iii) Sequoia, (iv) Bessemer, (v) CVCI Investors, (vi) UTI (“**Side Agreement**”). The Side Agreement governed the terms of (i) issue of mutually agreed number of Equity Shares upon conversion of preference shares held by the investors in order to ensure they receive their respective entitlements, and (ii) sharing of returns under the Investment Agreement.

Time and Cost Overrun

In respect of projects undertaken by our Company since its incorporation, there were time and cost overruns in relation to some of our projects, details of which are set forth in the following table:

Projects	Time Overrun (in months)	Cost Overrun (Rs. million)
Ind-Barath Power Gencom Limited - 63 MW Phase I thermal project at Thoothukudi District in Tamil Nadu, India	13	297.00
Ind-Barath Energies (Thoothukkudi) Limited – 20 MW bio-mass based project at Tuticorin district in Tamil Nadu, India	8	79.57
Ind-Barath Energies (Maharashtra) Limited - 20 MW bio-mass based project at Nanded District in Maharashtra, India	14	151.99
Raghu Rama Renewable Energy Limited - 18 MW bio-mass based project at Ramnad District in Tamil Nadu, India.	6	Nil
Dharamshala Hydro Power Limited – 4.5 MW hydel project at Kangra District in Himachal Pradesh	6	48.70
Dharamshala Hydro Power Limited - 5.0 MW hydel project at Kangra District in Himachal Pradesh	8	81.84
Ind-Barath Power Gencom Limited - 63 MW Phase II thermal project at Thoothukudi District in Tamil Nadu, India	4	65.10

For details in relation to efforts made by our Company in relation to the cost overruns, see the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 392.

Acquisition of business / undertakings

The companies mentioned below have been acquired by our Company (either directly or through its Subsidiaries) and have become its subsidiaries.

For details of the business of the aforementioned Subsidiaries and their business, see the sections titled “Our Subsidiaries” and “Our Business” on pages 225 and 139, respectively.

For details on managerial competence, please refer to the section titled “Our Management” on page 239.

There are no rescheduling of borrowings except as provided to in the section titled “Financial Indebtedness” on page 356.

As on the date of this Draft Red Herring Prospectus, apart from the disclosures in the section titled “Outstanding Litigation and Material Developments” on page 413, there are no injunctions / restraining orders that have been passed against our Company.

Strategic and financial partners

Except as disclosed in this Draft Red Herring Prospectus, we have no strategic or financial partners.

Standing of our Company vis-a- vis its prominent competitors

For details of the standing of our Company with reference to its prominent competitors, please refer to the section titled “Our Business” on page 139.

Details of our Subsidiaries

Unless otherwise stated, none of our Subsidiaries have been declared sick companies under the Sick Industrial Companies (Special Provisions) Act, 1985 and no winding-up proceeding have been initiated against any of them. Further, unless otherwise stated, no application has been made in respect of any of our Subsidiaries to the respective registrar of companies for striking off their names.

Unless otherwise stated, the equity shares of none of our Subsidiaries are listed on any stock exchange and none of them have made any public issue of securities in the preceding three years.

Further, none of our Subsidiaries have any accumulated profits / losses that have not been accounted for, unless stated otherwise.

For further details please refer to the section titled “Our Business” on page 139.

As on the date of this Draft Red Herring Prospectus, our Subsidiaries and our shareholding in our Subsidiaries is as follows:

Subsidiary	No. of equity shares	Percentage of total paid-up capital held by our Company
Arkay Energy (Rameswarm) Limited	55,220,000	81.04
Dharmshala Hydro Power Limited	17,193,600	94.41
Ind-Barath Energies Limited	7,584,451	97.42
Ind-Barath (Energies) Chattisgarh Limited	439,600	87.92
Ind-Barath Energies Power (Madras) Limited	350,000	83.73
Ind-Barath Energies (Maharashtra) Limited	19,257,000	79.22
Ind - Barath Energies (Thoothukkudi) Limited	15,659,395	72.29
Ind - Barath Energy (Utkal) Limited	405,960,000	79.44
Ind-Barath Power Gencom Limited	158,194,538	73.94
Ind-Barath Thermal Power Limited	150,061,600	99.96
PT Indbharath Energy	10,518	99.89
Raghu Rama Renewable Energy Limited	18,126,800	99.72

OUR SUBSIDIARIES

We have thirteen Subsidiaries. None of the Subsidiaries have made any public or rights issue in the last three years. Further, none of the Subsidiaries have become sick companies within the meaning of SICA, and none of them are under winding up or have negative net worth.

1. Arkay Energy (Rameswarm) Limited

Arkay Energy (Rameswarm) Limited was incorporated on December 01, 2004 as a public limited company under the Companies Act. The registered office of AERL is located at Plot No. 30, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad. AERL was incorporated with the main object of generating and supplying electricity by use of various forms of fuel, and to set up power plants and related infrastructure for this purpose. Currently, AERL undertakes the 95.3 MW gas based power project at Valuthur village, Ramnathpuram District, Tamil Nadu.

As part of a restructuring exercise, Arkay Energy Limited (now known as Penna Electricity Limited), along with Arkay Energy (Rameswarm) Limited had filed a composite scheme of arrangement bearing C.P. Nos. 3 and 4 of 2005 under the Companies Act before the High Court of Andhra Pradesh (“**AERL Scheme of Arrangement**”). The AERL Scheme of Arrangement was approved by the board of directors of Arkay Energy Limited through the board resolution dated December 6, 2004, and by Arkay Energy (Rameswarm) Limited through the board resolution dated December 7, 2004.

Pursuant to the approval of the AERL Scheme of Arrangement by the High Court of Andhra Pradesh through an order dated February 22, 2005, Arkay Energy (Rameswarm) Limited de-merged from Arkay Energy Limited, with effect from December 15, 2004 and the High Court of Andhra Pradesh had instructed all the parties to comply with the statutory and other legal requirements to make effective the AERL Scheme of Arrangement.

The company on March 18, 2005 filed a certified copy of the order of the High Court of Andhra Pradesh with the RoC. The RoC has confirmed the AERL Scheme of Arrangement through a certificate dated April 12, 2005. With the successful implementation of the AERL Scheme of Arrangement, the undertaking of Arkay Energy Limited comprising of Unit II at Valantharavi Village, which is a 59 MW gas engine based power project for 292,000 standard cubic meters per day of gas, at Ramnad (Ramanathapuram District), Tamil Nadu, along with its assets and liabilities have transferred and vested in Arkay Energy (Rameswarm) Limited.

Shareholding pattern as on the date of filing of the Draft Red Herring Prospectus

Shareholders	No. of equity shares	No. of preference shares	Shareholding (%)
Ind-Barath Power Infra Limited	55,220,000	18,293,500	81.04
Madura Coats Private Limited	2,275,000	-	3.34
MRF Limited	1,750,000	-	2.57
SRF Limited	1,575,000	-	2.31
Futura Polysters Limited	1,575,000	-	2.31
Sundaram Clayton Limited	1,050,000	-	1.54
Sundaram Fasteners Limited	1,050,000	-	1.54
Tidel Park Limited	900,000	-	1.32
K. Raghu Ramakrishna Raju	20,000	-	0.03
K. Rama Devi	20,000	-	0.03
D. Madhusudhana Reddy	20,000	-	0.03
Sundaram Brake Linings Limited	525,000	-	0.77
Lucas TVS Limited	385,000	-	0.56
Thiagarajar Mills Limited	300,000	-	0.44
Sundaram Industries Limited	290,500	-	0.43
Bimetal Bearings Limited	280,000	-	0.41
Delphi TVS Diesel Systems Limited	245,000	-	0.36
Tractors and Farm Equipments Limited	245,000	-	0.36

Shareholders	No. of equity shares	No. of preference shares	Shareholding (%)
India Japan Lighting Private Limited	210,000	-	0.31
Simpson & Company Limited	175,000	-	0.26
TVS Srichakra Limited	24,500	-	0.04
B.V.S Prasad	2,000	-	0.00*
S. Srinivasulu	2,000	-	0.00*
V. Perraju	2,000	-	0.00*
M V Basivi Reddy	2,000	-	0.00*
Total	68,143,000	18,293,500	100.00

* less than 0.01%

Directors as on the date of filing of the Draft Red Herring Prospectus

1. K. Raghu Ramakrishna Raju
2. K. Rama Devi
3. D. Madhusudhana Reddy
4. G. Manoharan

Financial performance

(Rs. Million except per share data)

	March 31, 2009	March 31, 2008	March 31, 2007
Sales and other income	2,017.96	1,324.26	577.17
Equity share capital ⁽¹⁾	681.43	681.43	681.43
Reserves (excluding revaluation reserves)	1,040.68	227.32	45.08
Net Asset Value per share	25.27	13.34	10.66
Profit After Tax ('PAT')	813.36	240.45	3.39
Earnings per share	11.17	2.17	(0.69)

The face value of each equity share is Rs. 10.00.

2. Dharmshala Hydro Power Limited

Dharmshala Hydro Power Limited was incorporated on August 09, 2000 as a public limited company under the Companies Act. The registered office of DHPL is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033, Andhra Pradesh, India. DHPL was incorporated with the main object of generation, transmission, distribute and supply of electric power and energy and construction of its generation/transmission assets. Currently, DHPL undertakes the 9.5 MW hydel power project of which 4.5 MW power project is operational and balance 5.0 MW of power project in under implementation at Kangra District in Himachal Pradesh, India.

Shareholding pattern as on the date of filing of the Draft Red Herring Prospectus

Shareholders	No. of equity shares	Shareholding (%)
Ind-Barath Power Infra Limited	17,193,600	94.41
Coastal Projects Private Limited	1,018,000	5.59
M. Kesava Reddy	100	0.00*
K.V. Suryanarayan Raju	100	0.00*
K.V. Satyanarayan Raju	100	0.00*
T. Venkateshwara Reddy	100	0.00*
B.V.S. Prasad	100	0.00*
V Perraju	100	0.00*
S. Srinivasulu	100	0.00*
Total	18,212,300	100.00

* less than 0.01%

Directors as on the date of filing of the Draft Red Herring Prospectus

1. K. Raghu Ramakrishna Raju
2. K. Rama Devi
3. B.S. Peter
4. D. Madhusudhana Reddy
5. J. Appa Rao
6. S.K.N. Sastry
7. Himansubhusan Patnaik

Financial performance

(Rs. million except per share data)

	March 31, 2009	March 31, 2008	March 31, 2007
Sales and other income	36.89	37.33	32.39
Equity share capital ⁽¹⁾	164.97	148.47	97.48
Reserves (excluding revaluation reserves)	7.69	3.10	(0.68)
Net Asset Value per share	10.55	10.27	11.09
Profit After Tax ('PAT')	4.59	3.78	0.84
Earnings per share	0.31	0.31	0.10

The face value of each equity share is Rs. 10.00.

Key agreements in relation to DHPL

- (a) In accordance with the share transfer agreement dated September 18, 2006 executed between our Company (formerly known as Kanumuri Holdings Private Limited), Boston Teknowsys (India) Limited, DHPL, NATL Technologies Limited, Sriba Agro Limited, the parties have agreed that the investments with aggregate value of Rs. 11.82 million comprising 1,181,990 equity shares of Rs. 10.00 each in DHPL by Boston Teknowsys (India) Limited, is transferred for consideration other than cash, to our Company. Boston Teknowsys (India) Limited in return will receive an aggregate consideration of Rs. 11.82 million comprising 565,554 equity shares of Rs. 10.00 each in NATL Technologies Limited and 616,436 equity shares of Rs. 10.00 each in Sriba Agro Limited.
- (b) In accordance with the share transfer agreement dated September 18, 2006 executed between our Company (formerly known as Kanumuri Holdings Private Limited), Ind-Barath Energies Limited, Sriba Seabase Private Limited, Jasper Industries Limited, B. Rama Krishna, Deccan Cigarette Centre Private Limited, Chintalapati Holdings Private Limited, Boston Teknowsys (India) Limited and DHPL, the parties have agreed that the investments in DHPL with aggregate value of Rs. 41,806,100.00 comprising: (i) 1,097,600 equity shares of Rs. 10.00 each held by IBEL, (ii) 80,000 equity shares of Rs. 10.00 each held by Sriba Seabase Private Limited, (iii) 510,000 equity shares of Rs. 10.00 each held by Jasper Industries Limited, (iv) 50,000 equity shares of Rs. 10.00 each held by B. Rama Krishna, (v) 400,000 equity shares of Rs. 10.00 each held by Chintalapati Holdings Private Limited, (vi) 150,000 equity shares of Rs. 10.00 each held by Deccan Cigarette Centre Private Limited, (vii) 1,893,010 equity shares of Rs. 10.00 each held by Boston Teknowsys (India) Limited is transferred for consideration other than cash to our Company. In return, each party will get shares in our Company as follows: (i) IBEL will get 43,904 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (ii) Sriba Seabase Private Limited will get 3,200 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (iii) Jasper Industries Limited will get 20,400 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (iv) B. Rama Krishna will get 2,000 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (v) Chintalapati Holdings Private Limited will get 16,000 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (vi) Deccan Cigarette Centre Private Limited will get 6,000 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (vii) Boston Teknowsys (India) Limited will get 75,720 equity shares of Rs. 10.00 each at a premium of Rs. 240.00.
- (c) In accordance with the share transfer agreement dated September 18, 2006 executed between our Company (formerly known as Kanumuri Holdings Private Limited), K. Raghu Ramakrishna Raju, K. Rama Devi, Ind-Barath Energies Limited, Ind-Barath Energies (Thoothukkudi) Limited, DHPL, NATL Technologies Limited, NATL Power Limited, Sriba Seabase Private Limited, the parties have agreed that the investments with aggregate value of Rs. 33.38 million comprising an aggregate of 2,467,451 equity shares of Rs. 10.00 each held by K. Raghu Ramakrishna Raju and K. Rama Devi in IBEL; 9,000

equity shares of Rs. 10.00 each held by K. Raghu Ramakrishna Raju in IBETL; an aggregate of 862,000 equity shares of Rs. 10.00 each held by K. Raghu Ramakrishna Raju and K. Rama Devi in DHPL, is transferred to our Company. K. Raghu Ramakrishna Raju and K. Rama Devi in return will receive: (i) an aggregate consideration of Rs. 11.65 million, and (ii) for the balance Rs. 21.74 million, they will receive 2,173,651 equity shares of Rs. 10.00 each of our Company

3. **Ind-Barath Energies Limited**

Ind-Barath Energies Limited was incorporated on August 13, 1998 as a public limited company under the Companies Act. The registered office of IBEL is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033, Andhra Pradesh, India. IBEL was incorporated with the main object of generation, transmission, distribute and supply of electric power and energy and construction of its generation/transmission assets. Currently, IBEL undertakes the 6 MW biomass based power project at Dilawarapur Road, Mriyalguda Village, Nalgonda District in Andhra Pradesh, India.

Shareholding pattern as on the date of filing of the Draft Red Herring Prospectus

Shareholders	No. of equity shares	Shareholding (%)
Ind-Barath Power Infra Limited	7,584,451	97.42
Varnsi Industries Limited	100,000	1.29
G.S.Raju	50,000	0.64
K.Santi Bhushan	50,000	0.64
K. Raghu Ramakrishna Raju	99	0.00*
K. Rama Devi	99	0.00*
Putta Veera Venkata Satya Narayana Rao	99	0.00*
V.S.N. Murthy	99	0.00*
N.V. Raja Rao	99	0.00*
V Perraju	99	0.00*
B.V.S. Prasad	99	0.00*
Total	7,785,144	100.00

* less than 0.01%

Directors as on the date of filing of the Draft Red Herring Prospectus

1. K. Raghu Ramakrishna Raju
2. K. Rama Devi
3. D. Madhusudhana Reddy
4. Kunaparaju Venkata Raghu Ram Krishnam Raju
5. Putta Veera Venkata Satya Narayana Rao

Financial performance

	<i>(Rs. million except per share data)</i>		
	March 31, 2009	March 31, 2008	March 31, 2007
Sales and other income	173.98	303.02	209.28
Equity share capital ⁽¹⁾	77.85	77.85	77.85
Reserves (excluding revaluation reserves)	390.16	353.70	219.49
Net Asset Value per share	60.12	55.43	39.00
Profit After Tax ('PAT')	36.46	134.21	39.41
Earnings per share	4.81	17.24	5.17

The face value of each equity share is Rs. 10.00.

Key agreements in relation to IBEL

- (a) In accordance with the share transfer agreement dated September 18, 2006 executed between our Company (formerly known as Kanumuri Holdings Private Limited), Sriba Seabase Private Limited, Kadamb Constructions Limited, S. Kishore, K. Rama Chandra Rao, NATL Technologies Limited, Jasper Industries Limited, Vamsi Industries Limited and IBEL, the parties have agreed that the investments in IBEL with aggregate value of Rs. 33,800,000.00 comprising: (i) 50,000 equity shares of Rs. 10.00 each held by Sriba Seabase Private Limited, (ii) 90,000 equity shares of Rs. 10.00 each held by Kadamb Constructions Limited, (iii) 20,000 equity shares of Rs. 10.00 each held by S. Kishore, (iv) 550,000 equity shares of Rs. 10.00 each held by K. Rama Chandra Rao, (v) 1,000,000 equity shares of Rs. 10.00 each held by NATL Technologies Limited, (vi) 1,500,000 equity shares of Rs. 10.00 each held by Jasper Industries Limited, (vii) 170,000 equity shares of Rs. 10.00 each held by Vamsi Industries Limited is transferred for consideration other than cash to our Company. In return, each party will get shares in our Company as follows: (i) Sriba Seabase Private Limited will get 2,000 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (ii) Kadamb Constructions Limited will get 3,600 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (iii) S. Kishore will get 800 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (iv) K. Rama Chandra Rao will get 22,000 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (v) NATL Technologies Limited will get 40,000 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (vi) Jasper Industries Limited will get 60,000 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, and (vii) Vamsi Industries Limited will get 6,800 equity shares of Rs. 10.00 each at a premium of Rs. 240.00.
- (b) In accordance with the share transfer agreement dated September 18, 2006 executed between our Company (formerly known as Kanumuri Holdings Private Limited), K. Raghu Ramakrishna Raju, K. Rama Devi, IBEL, Ind-Barath Energies (Thoothukkudi) Limited, Dharmshala Hydro Power Limited, NATL Technologies Limited, NATL Power Limited, Sriba Seabase Private Limited, the parties have agreed that the investments with aggregate value of Rs. 33,384,510.00 comprising, an aggregate of 2,467,451 equity shares of Rs. 10.00 each held by K. Raghu Ramakrishna Raju and K. Rama Devi in IBEL; 9,000 equity shares of Rs. 10.00 each held by K. Raghu Ramakrishna Raju in IBETL; an aggregate of 862,000 equity shares of Rs. 10.00 each held by K. Raghu Ramakrishna Raju and K. Rama Devi in DHPL, is transferred to our Company. K. Raghu Ramakrishna Raju and K. Rama Devi in return will receive: (i) an aggregate consideration of Rs. 11,648,000.00, and (ii) for the balance Rs. 21,736,510.00, they will receive 2,173,651 equity shares of Rs. 10.00 each of our Company

4. **Ind-Barath (Energies) Chattisgarh Limited**

Ind-Barath (Energies) Chattisgarh Limited was incorporated on July 28, 2008 as a public limited company under the Companies Act. The registered office of IBECL is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033, Andhra Pradesh, India. IBECL was incorporated with the main object of generation, transmission, distribute and supply of electric power and energy and construction of its generation/transmission assets.

As part of a restructuring exercise, Ind-Barath Energies Limited, along with Ind-Barath Energy (Chattisgarh) Limited had filed a composite scheme of arrangement bearing C.P. Nos. 87 and 88 of 2008 under the Companies Act before the High Court of Andhra Pradesh (“**Chattisgarh Scheme of Arrangement**”). The Chattisgarh Scheme of Arrangement was approved by the board of directors of Ind Barath Energies Limited through the board resolution dated September 6, 2008, and the requirement of board resolution of Ind-Barath Energy (Chattisgarh) Limited was dispensed with by an order passed on October 24, 2008 in C.A. No. 1392 of 2008 by the High Court of Andhra Pradesh.

Pursuant to the approval of the Chattisgarh Scheme of Arrangement by the High Court of Andhra Pradesh through an order dated December 26, 2008, Ind-Barath Energy (Chattisgarh) Limited de-merged from Ind Barath Energies Limited, with effect from February 07, 2009 and the High Court of Andhra Pradesh had instructed all the parties to comply with the statutory and other legal requirements to make effective the Chattisgarh Scheme of Arrangement.

The Company on February 7, 2009 filed a certified copy of the order of the High Court of Andhra Pradesh with the RoC. The certificate from the RoC confirming the Chattisgarh Scheme of Arrangement is still awaited. With the successful implementation of the Chattisgarh Scheme of Arrangement, the undertaking of Ind-Barath Energies Limited comprising of Unit III at Raipur, Chattisgarh, along with its assets and liabilities have transferred and vested in Ind-Barath Energy (Chattisgarh) Limited.

Shareholding pattern as on the date of filing of the Draft Red Herring Prospectus

Shareholders	No. of equity shares	Shareholding (%)
Ind-Barath Power Infra Limited	439,600	87.92
K. Raghu Ramakrishna Raju	20,000	4.00
K. Rama Devi	20,000	4.00
K. Indira Priyadarshini	20,000	4.00
D. Madhusudhana Reddy	100	0.02
B.V.S Prasad	100	0.02
V. Perraju	100	0.02
M V Basivi Reddy	100	0.02
Total	500,000	100.00

Directors as on the date of filing of the Draft Red Herring Prospectus

1. K. Raghu Ramakrishna Raju
2. K. Rama Devi
3. K. Indira Priyadarshini

Financial performance

(Rs. million except per share data)

	March 31, 2009	March 31, 2008	March 31, 2007
Sales and other income	-	N.A.	N.A.
Equity share capital ⁽¹⁾	5.00	N.A.	N.A.
Reserves (excluding revaluation reserves)	-	N.A.	N.A.
Net Asset Value per share	17.80	N.A.	N.A.
Profit After Tax ('PAT')	-	N.A.	N.A.
Earnings per share	-	N.A.	N.A.

The face value of each equity share is Rs. 10.00.

5. Ind-Barath Energies (Maharashtra) Limited

Ind-Barath Energies (Maharashtra) Limited was incorporated on October 13, 2005 as a public limited company under the Companies Act. The registered office of IBEML is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033, Andhra Pradesh, India. IBEML was incorporated with the main object of generation, transmission, distribute and supply of electric power and energy and construction of its generation/transmission assets. Currently, IBEML undertakes the 20 MW bio-mass based project at Nanded District in Maharashtra, India.

Shareholding pattern as on the date of filing of the Draft Red Herring Prospectus

Shareholders	No. of equity shares	Shareholding (%)
Ind-Barath Power Infra Limited	19,257,000	79.22
Banaras House Engineering Private Limited	5,000,000	20.57
K. Raghu Ramakrishna Raju	20,000	0.08
K. Rama Devi	20,000	0.08
P. Venkat Gopal	2,000	0.00*
D. Madhusudhana Reddy	2,000	0.00*
B.V.S. Prasad	2,000	0.00*
V Perraju	2,000	0.00*
S.K.N. Sastry	2,000	0.00*
Total	24,307,000	100.00

* less than 0.01%

Directors as on the date of filing of the Draft Red Herring Prospectus

1. K. Raghu Ramakrishna Raju
2. K. Rama Devi
3. D. Madhusudhana Reddy

Financial performance

	<i>(Rs. million except per share data)</i>		
	March 31, 2009	March 31, 2008	March 31, 2007
Sales and other income	85.12	-	-
Equity share capital ⁽¹⁾	243.07	243.07	123.40
Reserves (excluding revaluation reserves)	(53.23)	-	-
Net Asset Value per share	7.81	10.03	9.98
Profit After Tax ('PAT')	(53.23)	-	-
Earnings per share	(2.19)	-	-

The face value of each equity share is Rs. 10.00.

Key agreements in relation to IBEML

In accordance with the share transfer agreement dated September 18, 2006 executed between our Company (formerly known as Kanumuri Holdings Private Limited), Deccan Cigarette Centre Private Limited and IBEML, the parties have agreed that the investments in IBEML with aggregate value of Rs. 2,000,000.00 held by Deccan Cigarette Centre Private Limited is transferred for consideration other than cash to our Company. Deccan Cigarette Centre Private Limited in return will receive an aggregate consideration of Rs. 2,000,000.00 comprising 8,000 equity shares of our Company, of Rs. 10.00 each at a premium of Rs. 240.00.

6. Ind - Barath Energies (Thoothukkudi) Limited

Ind-Barath Energies (Thoothukkudi) Limited was incorporated on August 21, 2003 as a public limited company under the Companies Act. The registered office of IBETL is located at Plot No. 30A, Road No.1, Film Nagar, Jubilee Hills, Hyderabad 500033, Andhra Pradesh, India. IBETL was incorporated with the main object of generation, transmission, distribute and supply of electric power and energy and construction of its generation/transmission assets and providing consultancy and contractor services in setting up all types of power plants. Currently, IBETL undertakes the 20 MW biomass based power project at Eppodumvendran village, District Tuticorin in Tamil Nadu, India.

Shareholding pattern as on the date of filing of the Draft Red Herring Prospectus

Shareholders	No. of equity shares	Shareholding (%)
Ind Barath Power Infra Limited	15,659,395	72.29
Suryadev Alloys & Power Private Limited	5,859,000	27.05
Chintalapati Holdings Private Limited	95,000	0.44
K. Raghu Ramakrishna Raju	20,000	0.09
K. Rama Devi	20,000	0.09
D. Madhusudhana Reddy	2,000	0.01
V S N Murthy	2,000	0.01
B V S Prasad	2,000	0.01
V Perraju	2,000	0.01
M V Basavi Reddy	2,000	0.01
Total	21,663,395	100.00

Directors as on the date of filing of the Draft Red Herring Prospectus

1. K. Raghu Ramakrishna Raju
2. K. Rama Devi
3. K. Indira Priyadarshini
4. D. Madhusudhana Reddy
5. G. Manoharan
6. B S Petier
7. Mallipudi Naga Venkata Sudhakar

Financial performance

(Rs. million except per share data)

	March 31, 2009	March 31, 2008	March 31, 2007
Sales and other income	123.94	237.10	138.42
Equity share capital ⁽¹⁾	216.63	216.63	216.63
Reserves (excluding revaluation reserves)	(137.82)	(27.91)	(7.36)
Net Asset Value per share	3.64	8.71	9.69
Profit After Tax ('PAT')	(109.91)	(20.55)	(13.95)
Earnings per share	(5.07)	(0.95)	(0.65)

The face value of each equity share is Rs. 10.00.

Key agreements in relation to IBETL

- (a) In accordance with the share transfer agreement dated September 18, 2006 executed between our Company (formerly known as Kanumuri Holdings Private Limited), Marubhoomi Consultants Private Limited, Top Light Trade Links Private Limited, Net Work Power Private Limited, Deccan Cigarette Centre Private Limited, Jasper Industries Limited, Bhaskar Transport Private Limited, IBEL and IBETL, the parties have agreed that the investments in IBETL with aggregate value of Rs. 33.80 million comprising: (i) 2,300,000 equity shares of Rs. 10.00 each held by Marubhoomi Consultants Private Limited, (ii) 1,909,500 equity shares of Rs. 10.00 each held by Top Light Trade Links Private Limited, (iii) 1,650,000 equity shares of Rs. 10.00 each held by Net Work Power Private Limited, (iv) 150,000 equity shares of Rs. 10.00 each held by Deccan Cigarette Centre Private Limited, (v) 100,000 equity shares of Rs. 10.00 each held by Jasper Industries Limited, (vi) 100,000 equity shares of Rs. 10.00 each held by Bhaskar Transport Private Limited, (vii) 437,200 equity shares of Rs. 10.00 each held by IBEL, is transferred for consideration other than cash to our Company. In return, each party will get shares in our Company as follows: (i) Marubhoomi Consultants Private Limited will get 92,000 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (ii) Top Light Trade Links Private Limited will get 76,380 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (iii) Net Work Power Private Limited will get 66,000 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (iv) Deccan Cigarette Centre Private Limited will get 6,000 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (v) Jasper Industries Limited will get 4,000 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (vi) Bhaskar Transport Private Limited will get 4,000 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (vii) IBEL will get 17,488 equity shares of Rs. 10.00 each at a premium of Rs. 240.00.
- (b) In accordance with the share transfer agreement dated September 18, 2006 executed between our Company (formerly known as Kanumuri Holdings Private Limited), K. Raghu Ramakrishna Raju, K. Rama Devi, Ind-Barath Energies Limited, IBETL, Dharmshala Hydro Power Limited, NATL Technologies Limited, NATL Power Limited, Sriba Seabase Private Limited, the parties have agreed that the investments with aggregate value of Rs. 33.38 million comprising, an aggregate of 2,467,451 equity shares of Rs. 10.00 each held by K. Raghu Ramakrishna Raju and K. Rama Devi in IBEL; 9,000 equity shares of Rs. 10.00 each held by K. Raghu Ramakrishna Raju in IBETL; an aggregate of 862,000 equity shares of Rs. 10.00 each held by K. Raghu Ramakrishna Raju and K. Rama Devi in DHPL, is transferred to our Company. K. Raghu Ramakrishna Raju and K. Rama Devi in return will receive: (i) an aggregate consideration of Rs. 11.65 million, and (ii) for the balance Rs. 21.74 million, they will receive 2,173,651 equity shares of Rs. 10.00 each of our Company.

7. Ind - Barath Energy (Utkal) Limited

Ind-Barath Energy (Utkal) Limited was incorporated on April 11, 2008 as a public limited company under the Companies Act. The registered office of IBEUL is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033, Andhra Pradesh, India. IBEUL was incorporated with the main object of generation, transmission, distribute and supply of electric power and energy and construction of its generation/transmission assets. Currently, IBEUL undertakes the 700 MW and 660 MW coal based power project at Sahajbahal, Jharsuguda District in Orissa, India.

As part of a restructuring exercise, Ind-Barath Energies Limited, along with Ind-Barath Energy (Utkal) Limited had filed a composite scheme of arrangement bearing C.P. Nos. 85 and 86 of 2008 under the Companies Act before the High Court of Andhra Pradesh (“**Utkal Scheme of Arrangement**”). The Utkal Scheme of Arrangement was approved by the board of directors of Ind Barath Energies Limited through the board resolution dated September 4, 2008, and the requirement of board resolution of Ind-Barath Energy (Utkal) Limited was dispensed with by an order passed on October 24, 2008 in C.A. No. 1391 of 2008 by the High Court of Andhra Pradesh.

Pursuant to the approval of the Utkal Scheme of Arrangement by the High Court of Andhra Pradesh through an order dated December 26, 2008, Ind-Barath Energy (Utkal) Limited de-merged from Ind Barath Energies Limited, with effect from December 26, 2008 and the High Court of Andhra Pradesh had instructed all the parties to comply with the statutory and other legal requirements to make effective the Utkal Scheme of Arrangement.

The Company on February 27, 2009 filed a certified copy of the order of the High Court of Andhra Pradesh with the RoC. The certificate from the RoC confirming the Utkal Scheme of Arrangement is awaited. With the successful implementation of the Utkal Scheme of Arrangement, the undertaking of Ind Barath Energies Limited comprising of Unit II at Sahajbahal, Jharsaguda District, Orissa its assets and liabilities were transferred and vested in Ind-Barath Energy (Utkal) Limited.

Shareholding pattern as on the date of filing of the Draft Red Herring Prospectus

Shareholders	No. of equity shares	Shareholding (%)
Ind-Barath Power Infra Limited	405,960,000	79.44
PTC India Financial Services Limited	105,000,000	20.55
K. Raghu Ramakrishna Raju	20,000	0.00*
K. Rama Devi	20,000	0.00*
K. Indira Priyadarshini	20,000	0.00*
D. Madhusudhana Reddy	100	0.00*
B. V. S. Prasad	100	0.00*
V Perraju	100	0.00*
M. V. Basivi Reddy	100	0.00*
Total	511,020,400	100.00

* less than 0.01%

Directors as on the date of filing of the Draft Red Herring Prospectus

1. K. Raghu Ramakrishna Raju
2. K. Indira Priyadarshini
3. D. Madhusudhana Reddy

Financial performance

(Rs. million except per share data)

	March 31, 2009	March 31, 2008	March 31, 2007
Sales and other income	-	N.A.	N.A.
Equity share capital ⁽¹⁾	140.71	N.A.	N.A.
Reserves (excluding revaluation reserves)	-	N.A.	N.A.
Net Asset Value per share	9.99	N.A.	N.A.
Profit After Tax ('PAT')	-	N.A.	N.A.
Earnings per share	N.A.	N.A.	N.A.

The face value of each equity share is Rs. 10.00.

8. Ind-Barath Power (Madras) Limited

Ind-Barath Power (Madras) Limited was incorporated on April 26, 2006 under the name “Ind-Barath Hydel Energy Limited” as a public limited company under the Companies Act. Subsequently on October 22, 2007, the company changed its name to its present name “Ind-Barath Power (Madras) Limited”. The registered office of IBPML is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033, Andhra Pradesh, India. IBPML was incorporated with the main object of generation, transmission, distribute and supply of electric power and energy and construction of its generation/transmission assets. Currently, IBPML undertakes the 660 MW coal based power project and the 660 MW expansion project at Manappad Tuticorin District in Tamil Nadu, India.

Shareholding pattern as on the date of filing of the Draft Red Herring Prospectus

Shareholders	No. of equity shares	Shareholding (%)
Ind-Barath Power Infra Limited	350,000	83.73
K. Raghu Ramakrishna Raju	20,000	4.78
K. Rama Devi	20,000	4.78
K. Indira Priyadarshini	20,000	4.78
D. Madhusudhan Reddy	2,000	0.48
B V S Prasad	2,000	0.48
M V Basivi Reddy	2,000	0.48
V Perāju	2,000	0.48
Total	418,000	100.00

Directors as on the date of filing of the Draft Red Herring Prospectus

1. K. Raghu Ramakrishna Raju
2. K. Rama Devi
3. K. Indira Priyadarshini
4. D. Madhusudhan Reddy
5. G. Manoharan

Financial performance

	<i>(Rs. million except per share data)</i>		
	March 31, 2009	March 31, 2008	March 31, 2007
Sales and other income	-	-	-
Equity share capital ⁽¹⁾	0.68	0.68	0.68
Reserves (excluding revaluation reserves)	-	-	-
Net Asset Value per share	123.24	97.79	8.09
Profit After Tax ('PAT')	-	-	-
Earnings per share	-	-	-

The face value of each equity share is Rs. 10.00.

9. Ind-Barath Power Gencom Limited

Ind-Barath Power Gencom Limited was incorporated on July 25, 2005 as a public limited company under the Companies Act. The registered office of IBPGL is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033, Andhra Pradesh, India. IBPGL was incorporated with the main object of generation, transmission, distribute and supply of electric power and energy and construction of its generation/transmission assets. Currently, IBPGL undertakes the 126 (2 x 63) MW thermal power project and is in the process of implementing 63 (1x63) MW thermal power plant at Pudurpandiapuram, Ottapidaram Taluk, Thoothukudi District in Tamil Nadu, India.

Shareholding pattern as on the date of filing of the Draft Red Herring Prospectus

Shareholders	No. of equity shares	Shareholding (%)
Ind-Barath Power Infra Limited	158,194,538	73.94
PTC India Financial Services Limited	55,630,000	26.00
K. Raghu Ramakrishna Raju	107,000	0.05
K. Rama Devi	20,000	0.00*
P. Venkat Gopal	2,000	0.00*
D. Madhusudhana Reddy	2,000	0.00*
B.V.S. Prasad	2,000	0.00*
V Perraju	2,000	0.00*
M.V. Basivi Reddy	2,000	0.00*
Total	213,961,538	100.00

* less than 0.01%

Directors as on the date of filing of the Draft Red Herring Prospectus

1. K. Raghu Ramakrishna Raju
2. K. Rama Devi
3. K. Indira Priyadarshini
4. D. Madhusudhana Reddy
5. Deepak Amitabh
6. Ramachandran Balakrishnan
7. Kunal Yadav

Financial performance

	<i>(Rs. million except per share data)</i>		
	March 31, 2009	March 31, 2008	March 31, 2007
Sales and other income	-	-	-
Equity share capital ⁽¹⁾	1,097.90	552.27	66.27
Reserves (excluding revaluation reserves)	-	-	-
Net Asset Value per share	16.71	17.08	30.05
Profit After Tax ('PAT')	-	-	-
Earnings per share	-	-	-

The face value of each equity share is Rs. 10.00.

10. Ind-Barath Thermal Power Limited

Ind-Barath Thermal Power Limited was incorporated on January 03, 2007 under the name "Ind-Barath Power (Karwar) Limited" as a public limited company under the Companies Act. Subsequently on December 16, 2009, the company changed its name to its present name "Ind-Barath Thermal Power Limited". The registered office of IBTPL is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033, Andhra Pradesh, India. IBTPL was incorporated with the main object of generation, transmission, distribute and supply of electric power and energy and construction of its generation/transmission assets. Currently, IBTPL undertakes the 300 MW thermal power project at Thoothukudi District in Tamil Nadu, India.

Shareholding pattern as on the date of filing of the Draft Red Herring Prospectus

Shareholders	No. of equity shares	Shareholding (%)
Ind-Barath Power Infra Limited	150,061,600	99.96
K. Raghu Ramakrishna Raju	20,000	0.01
K. Rama Devi	20,000	0.01
K. Indira Priyadarshini	20,000	0.01
D. Madhusudhana Reddy	100	0.00*
B.V.S. Prasad	100	0.00*
V Perraju	100	0.00*
M.V. Basivi Reddy	100	0.00*
Total	150,122,000	100.00

* less than 0.01%

Directors as on the date of filing of the Draft Red Herring Prospectus

1. K. Raghu Ramakrishna Raju
2. K. Rama Devi
3. K. Indira Priyadarshini
4. D. Madhusudhana Reddy
5. G. Manoharan
6. Sitaramam Komaragiri

Financial performance

(Rs. million except per share data)

	March 31, 2009	March 31, 2008	March 31, 2007
Sales and other income	-	-	N.A.
Equity share capital ⁽¹⁾	1,293.20	210.60	N.A.
Reserves (excluding revaluation reserves)	-	-	N.A.
Net Asset Value per share	10.00	12.05	N.A.
Profit After Tax ('PAT')	-	-	N.A.
Earnings per share	N.A.	N.A.	N.A.

The face value of each equity share is Rs. 10.00.

11. PT Indbharath Energy

PT Indbharath Energy was incorporated on October 29, 2007 as a limited liability company under the laws of Indonesia. The registered office of PT Indbharath Energy is located at South Jakarta Municipality. PT Indbharath Energy was incorporated with the main object of providing general mining support services and export and import of trade.

Shareholding pattern as on March 31, 2010

Shareholders	No. of equity shares	Shareholding (%)
Ind-Barath Power Infra Limited	10,518	99.89
K. Raghu Ramakrishna Raju	12	0.11
Total	10,530	100.00

Directors as on March 31, 2010

1. K. Raghu Ramakrishna Raju
2. K Rama Devi
3. G Manoharan

Financial performance

(Rs. million except per share data)

	March 31, 2009	March 31, 2008	March 31, 2007
Sales and other income	0.14	0.13	N.A.
Equity share capital ⁽¹⁾	6.04	6.04	N.A.
Reserves (excluding revaluation reserves)	(149.07)	(3.22)	N.A.
Net Asset Value per share	(68,498.68)	(25,319.01)	N.A.
Profit After Tax ('PAT')	(157.61)	(4.24)	N.A.
Earnings per share	(260.81)	(7.02)	N.A.

The face value of each equity share is USD 100.

12. Raghu Rama Renewable Energy Limited

Raghu Rama Renewable Energy Limited was incorporated on June 12, 2001 as a public limited company under the Companies Act. The registered office of RRREL is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033, Andhra Pradesh, India. RRREL was incorporated with the main object of generation, transmission, distribute and supply of electric power and energy and construction of its generation/transmission assets. Currently, RRREL undertakes the 18 MW bio-mass based power project at Paramakudi Village, Ramnad District in Tamil Nadu, India.

Shareholding pattern as on the date of filing of the Draft Red Herring Prospectus

Shareholders	No. of equity shares	Shareholding (%)
Ind-Barath Power Infra Limited	18,126,800	99.72
K. Raghu Ramakrishna Raju	20,000	0.11
K. Rama Devi	20,000	0.11
V Perraju	2,000	0.01
B.V.S. Prasad	2,000	0.01
M. Ravi Kumar	2,000	0.01
M.V.Basivi Reddy	2,000	0.01
P. Venkat Gopal	2,000	0.01
Total	18,176,800	100.00

Directors as on the date of filing of the Draft Red Herring Prospectus

1. K. Raghu Ramakrishna Raju
2. K. Rama Devi
3. D. Madhusudhana Reddy
4. G. Manoharan

Financial performance

	<i>(Rs. million except per share data)</i>		
	March 31, 2009	March 31, 2008	March 31, 2007
Sales and other income	139.78	324.21	361.62
Equity share capital ⁽¹⁾	181.77	181.77	181.77
Reserves (excluding revaluation reserves)	43.56	109.28	63.90
Net Asset Value per share	12.40	16.01	13.98
Profit After Tax ('PAT')	(65.72)	45.38	13.71
Earnings per share	(3.62)	2.58	0.78

The face value of each equity share is Rs. 10.00.

Key agreement in relation to RRREL

In accordance with the share transfer agreement dated September 18, 2006 executed between our Company (formerly known as Kanumuri Holdings Private Limited), IBEL, Sriba Seabase Private Limited, Jasper Industries Limited, Chintalapati Holdings Private Limited, Boston Teknowsys (India) Limited and RRREL, the parties have agreed that the investments in RRREL with aggregate value of Rs. 163.85 million comprising: (i) 11,368,700 equity shares of Rs. 10.00 each held by IBEL, (ii) 32,100 equity shares of Rs. 10.00 each held by Sriba Seabase Private Limited, (iii) 900,000 equity shares of Rs. 10.00 each held by Jasper Industries Limited, (iv) 3,449,500 equity shares of Rs. 10.00 each held by Chintalapati Holdings Private Limited, (v) 634,300 equity shares of Rs. 10.00 each held by Boston Teknowsys (India) Limited, is transferred for consideration other than cash to our Company. In return, each party will get shares in our Company as follows: (i) IBEL will get 454,748 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (ii) Sriba Seabase Private Limited will get 1,284 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (iii) Jasper Industries Limited will get 36,000 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (iv) Chintalapati Holdings Private Limited will get 137,980 equity shares of Rs. 10.00 each at a premium of Rs. 240.00, (v) Boston Teknowsys (India) Limited will get 25,372 equity shares of Rs. 10.00 each at a premium of Rs. 240.00.

Prior to March 31, 2010, Ind-Barath Green Power Limited was a subsidiary of the Company. The Company held 59,700 equity shares constituting 98.84% of the equity share capital of the company. On March 13, 2010, Ind-Barath Power Infra Limited transferred all 59,700 equity shares in the company to K. Raghu Rama Krishna Raju consequent to which Ind-Barath Green Power Limited ceased to be a subsidiary of the Company.

OUR MANAGEMENT

Board of Directors

Under the Articles of Association, we are required to have not less than three (3) Directors and not more than twelve (12) Directors. We currently have 11 Directors. Please refer to the sections titled “History and Certain Corporate Matters” and “Main Provisions of the Articles of Association” on pages 214 and 499, respectively.

The following table sets forth details of the Board of Directors as of the date of this Draft Red Herring Prospectus:

Name, father's/spouse's name, address, designation, occupation and term	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/trusteeships /partnership
<p>K. Raghu Ramakrishna Raju</p> <p>Son of K. V. S. Suryanarayana Raju</p> <p>Address: Plot No. 229, Road No. 78, Jubilee Hills, Hyderabad 500 033, India</p> <p>Designation: Chairman and Managing Director</p> <p>Retirement: Non-rotational</p> <p>Occupation: Industrialist</p> <p>Nationality: Indian</p> <p>Term: 3 years from June 01, 2008.</p>	February 17, 1995	48	00020552	<ol style="list-style-type: none"> 1. Arkay Energy (Rameswarm) Limited; 2. Ind-Barath Energies Limited; 3. Raghu Rama Renewable Energy Limited; 4. Ind-Barath Energies (Thoothukkudi) Limited; 5. Dharmshala Hydro Power Limited; 6. Ind-Barath Energies (Maharashtra) Limited; 7. Ind-Barath Power Gencom Limited; 8. Ind-Barath Thermal Power Limited; 9. Ind-Barath Power (Madras) Limited; 10. Ind-Barath Energy (Utkal) Limited; 11. Ind-Barath Energies (Chattisgarh) Limited; 12. Ind-Barath Commodities Limited; 13. NATL Power Limited; 14. Sriba Seabase Private Limited; 15. Zenith Energy Services Private Limited; 16. KU Yamine Energy Ventures Private Limited; 17. KU Yamine Power Private Limited.
<p>K. Rama Devi</p> <p>Wife of K. Raghu Ramakrishna Raju</p> <p>Address: Plot No. 229, Road No. 78, Jubilee Hills, Hyderabad 500 033, India</p> <p>Designation: Non-executive Director</p> <p>Retirement: By rotation</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Term: Liable to retire by rotation</p>	February 17, 1995	45	00042696	<ol style="list-style-type: none"> 1. Arkay Energy (Rameswarm) Limited; 2. Ind-Barath Energies Limited; 3. Raghu Rama Renewable Energy Limited; 4. Ind-Barath Energies (Thoothukkudi) Limited; 5. Dharmshala Hydro Power Limited; 6. Ind-Barath Energies (Maharashtra) Limited; 7. Ind-Barath Power Gencom Limited; 8. Ind-Barath Thermal Power Limited; 9. Ind-Barath Power (Madras) Limited;

Name, father's/spouse's name, address, designation, occupation and term	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/trusteeships /partnership
<p>Perumal Srinivasan</p> <p>Son of Perumal Ramamurthy</p> <p>Address: 25A, Belvedere Court, Sane Guruji Marg, Mahalaxmi, Mumbai 400 011, India</p> <p>Designation: Nominee Director of CVCIGP II Client Rosehill Limited</p> <p>Retirement: Non-rotational</p> <p>Occupation: Service</p> <p>Nationality: Indian</p> <p>Term: Not liable to retire by rotation</p>	June 14, 2007	46	00365025	<p>10. Ind-Barath Energies (Chattisgarh) Limited;</p> <p>11. NATL Power Limited;</p> <p>12. Raghu Rama Renewable Energy (Gujarat) Limited;</p> <p>13. Ind-Barath Biosciences Limited;</p> <p>14. Ind-Barath Green Power Limited;</p> <p>15. Sriba Seabase Private Limited.</p> <p>1. Human Value Developers Private Limited;</p> <p>2. Sharekhan Limited;</p> <p>3. You Broadband and Cable India Limited.</p>
<p>Vuppalapati Sitarama Raju</p> <p>Son of. Vuppalapati Pedda Subba Raju</p> <p>Address: 106, Dhanunjaya Towers, Main Road, Banjara Hills, Hyderabad 500 034, India</p> <p>Designation: Independent Director</p> <p>Retirement: By rotation</p> <p>Occupation: Professional</p> <p>Nationality: Indian</p> <p>Term: Liable to retire by rotation</p>	September 06, 2008	68	0010145	<p>1. The Andhra Sugars Limited;</p> <p>2. JOCIL Limited;</p> <p>3. Intensive Air Systems Limited;</p> <p>4. Gangavaram Port Limited.</p>
<p>Vaddarse Prabhakar Shetty</p> <p>Son of Hardally Sheenappa Shetty</p> <p>Address: 151, Jolly Maker Apartments No.2, Cuffe Parade, Mumbai 400 005</p> <p>Designation: Independent Director</p> <p>Retirement: By rotation</p> <p>Occupation: Service</p> <p>Nationality: Indian</p> <p>Term: Liable to retire by rotation</p>	September 06, 2008	63	00021773	<p>1. JM Financial Asset Reconstruction Co. Private Limited;</p> <p>2. JM Financial Asset Management Company Private Limited;</p> <p>3. JM Financial Products Private Limited;</p> <p>4. JM Financial Securities Private Limited;</p> <p>5. Indu Projects Limited;</p> <p>6. Diango Search Life Sciences Private Limited;</p> <p>7. Banking Codes & Standards Board of India;</p> <p>8. Spandana Sphoorthy Financial Limited</p>
<p>Abhay Kumar Pandey</p>	October 29, 2009	38	01650845	<p>1. Sequoia Capital India</p>

Name, father's/spouse's name, address, designation, occupation and term	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/trusteeships /partnership
<p>Son of Kamleshwar Pandey</p> <p>Address: 1402 Purna, Pochakhanwala Road, Worli Sea Face, Mumbai 400 018</p> <p>Designation: Nominee Director of Sequoia Capital India Growth Investment Holdings II</p> <p>Retirement: Non-rotational</p> <p>Occupation: Service</p> <p>Nationality: Indian</p> <p>Term: Not liable to retire by rotation</p>				<p>Advisors Private Limited;</p> <p>2. Coastal Projects Private Limited; and</p> <p>3. GVK Biosciences Private Limited.</p>
<p>Vishal Vijay Gupta</p> <p>Son of Vijay Kumar Gupta</p> <p>Address: 71, 7th Floor, Free Press House, Free Press Marg, Nariman Point, Mumbai 400021</p> <p>Designation: Nominee Director of Bessemer Venture Partners Trust</p> <p>Retirement: Non-rotational</p> <p>Occupation: Service</p> <p>Nationality: Indian</p> <p>Term: Not liable to retire by rotation</p>	October 29, 2009	32	0193013	<p>1. Netambit Infosource & e-Services Private Limited</p> <p>2. Futuresafe Service Limited</p>
<p>D. Madhusudhana Reddy</p> <p>Son of late D. Narayana Reddy</p> <p>Address: Flat No. 401, Radhakrishna Enclave, Madhura Nagar, Hyderabad 500 038</p> <p>Designation: Additional director and Chief Financial Officer</p> <p>Retirement: Rotational</p> <p>Occupation: Service</p> <p>Nationality: Indian</p> <p>Term: Liable to retire by rotation</p>	January 29, 2010	45	00020567	<p>1. Arkay Energy (Rameswarm) Limited;</p> <p>2. Ind-Barath Energies Limited;</p> <p>3. Raghu Rama Renewable Energy Limited;</p> <p>4. Ind-Barath Energies (Thoothukkudi) Limited;</p> <p>5. Dharmshala Hydro Power Limited;</p> <p>6. Ind-Barath Energies (Maharashtra) Limited;</p> <p>7. Ind-Barath Power Gencom Limited;</p> <p>8. Ind-Barath Thermal Power Limited;</p> <p>9. Ind-Barath Power (Madras) Limited;</p> <p>10. Ind-Barath Energy (Utkal) Limited;</p> <p>11. Raghu Rama Renewable Energy (Gujarat) Limited;</p> <p>12. Ind-Barath Commodities Limited;</p> <p>13. Ind-Barath Power (Cuddalore) Limited;</p> <p>14. Ind-Barath Energies (Gujarat) Limited;</p> <p>15. Nethu Soft Private Limited.</p>

Name, father's/spouse's name, address, designation, occupation and term	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/trusteeships /partnership
<p>Sasamka Babu Potharlanka Son of Late Bala Kotaiah</p> <p>Address: 8-3-318/11/18, Jayaprakash Nagar, Hyderabad 500 073</p> <p>Designation: Independent director</p> <p>Retirement: Rotational</p> <p>Occupation: Service</p> <p>Nationality: Indian</p> <p>Term: Liable to retire by rotation</p>	May 06, 2010	68	00281786	1. Turbo Machinery Industries Limited
<p>T. Stanley Babu Son of Late T J Ratnam</p> <p>Address: 59, First Cross Road, Trimurthy Society, Mahendra Hills, East Marredpally, Secunderabad 500 026</p> <p>Designation: Independent director</p> <p>Retirement: Rotational</p> <p>Occupation: Service</p> <p>Nationality: Indian</p> <p>Term: Liable to retire by rotation</p>	May 06, 2010	65	03077535	Nil
<p>Debi Prasad Bagchi Son of Sri Mohan Gopal Bagchi</p> <p>Address: Y-165, Regency Park-II, Phase IV, DLF City, Gurgaon, Haryana 122 009.</p> <p>Designation: Independent director</p> <p>Retirement: Rotational</p> <p>Occupation: Service</p> <p>Nationality: Indian</p> <p>Term: Liable to retire by rotation</p>	May 06, 2010	67	00061648	1. PTC India Limited; 2. Neelachal Ispat Nigam Limited; 3. Kajaria Ceramics Limited; 4. TK International Limited; 5. Visa Steel Limited; 6. Jindal India Thermal Power Limited; 7. Jindal India PowerTech Limited; 8. Sahara Prime City Limited.
<p>A. Balraj Son of K. Arasan</p> <p>Address: 76, J Block, First Main, Anna Nagar, Chennai 600 012.</p> <p>Designation: Independent director</p> <p>Retirement: Rotational</p> <p>Occupation: Service</p> <p>Nationality: Indian</p> <p>Term: Liable to retire by rotation</p>	May 06, 2010	68	01864772	1. Manganese Ore India Limited 2. Himalaya Hydro Private Limited

As per the terms of our Articles of Association, currently, each of Sequoia Capital India Growth Investment Holdings II, Bessemer Venture Partners Trust, CVC Investors and UTI Venture Funds Management Company Private Limited has the right to appoint at least one (1) non-retiring Director respectively, on the Board (until they cease to hold 3.5%, 2.5%, 4.5% and 1.5% respectively, of the paid up equity share capital of our Company).

Brief profiles of our Directors

K. Raghu Ramakrishna Raju

K. Raghu Ramakrishna Raju is the Chairman and Managing Director of our Company. He is a post graduate in pharmacy from the Andhra University. K. Raghu Ramakrishna Raju has over 12 years of experience in commissioning, operating and managing power projects. He is actively involved in the day to day operations, including marketing and financial functions of the Company. He started the first power project using rice husk as fuel in 1998. He was the co-promoter of two gas based plants, 20 MW power plant by R V K Energy Limited and a 55 MW power plant by Arkay Energy. He has commissioned and managed eight power projects during the last ten years. He currently holds positions such as the President of the Bio Mass Power Producers Association Tamil Nadu, President of the Maharashtra Bio-Mass Energy Developers Association. In the past he has also been the President of the Biomass Developers Association of Andhra Pradesh.

Kanumuri Rama Devi

Kanumuri Rama Devi is a graduate in science from the Andhra University. She has over 12 years of experience in commissioning, operating and managing power projects. She is the managing director of Ind-Barath Energies Limited. She monitors the day to day operations of the 6 MW biomass based power plant at Nalgonda District in Andhra Pradesh. In the last 10 years she has been actively involved in the in day to day management of the operational power projects and the power projects under implementation of our Company

Perumal Srinivasan

Perumal Srinivasan is a graduate in mechanical engineering from the College of Engineering, Guindy, Anna University and a post graduate in management from Indian Institute of Management, Bangalore. He was previously a managing director of Citi Venture Capital International. In the past, he has been associated with Hindustan Aeronautics Limited, the private equity arm of HSBC and ICICI Ventures. He is a CVC Investors' nominee director to the Board.

Vuppalapati Sitarama Raju

Vuppalapati Sitarama Raju is a practicing advocate in the High Court of Andhra Pradesh. He holds a post graduate degree in commerce and is a graduate in law both from the Nagpur University. He has previously served in various positions with the Government of India, such as the Under Secretary and Deputy Secretary in the Department of Company Affairs now known as Ministry of Corporate Affairs, Government of India, New Delhi, as Registrar of Companies at Andhra Pradesh and Karnataka and was also also nominated as an executive member to Hyderabad Stock Exchange. He is also a director on the board of JOCIL Limited, Andhra Sugars Limited, Gangavaram Port Limited and Intensive Air Systems Limited.

Vaddarse Prabhakar Shetty

Vaddarse Prabhakara Shetty is a graduate in Commerce from Bangalore University and also a Certified Associate registered with the Indian Institute of Bankers.

He has had a career in banking exceed 40 years and has served in various positions with four nationalised banks, including as the Chairman and Managing Director of UCO Bank, Canara Bank and IDBI Bank. He was previously the Chairman of the Indian Banks' Association and has served on the board of directors of Life Insurance Corporation of India, Export-Import Bank of India, Infrastructure Development Finance Company Limited and National Insurance Company Limited. He is currently the Chairman of JM Financial Asset Reconstruction Company Private Limited, JM Financial Asset Management Company Private Limited and JM Financial Products Private Limited.

Vaddarse Prabhakara Shetty has significant experience in commercial banking, mergers and acquisitions in banking, corporate governance and turnaround management, with specific focus on the public sector. He is a recipient of the "Banker of the Year – 2003" award from the Business Standard Group in recognition of successful turnaround of UCO Bank.

Abhay Kumar Pandey

Abhay Kumar Pandey has a masters in business administration from Indian Institute of Management, Calcutta and a B. Tech. in computer science and engineering from Indian Institute of Technology, Bombay. He is the managing director of Sequoia Capital India. Prior to joining Sequoia Capital, he was the head of real estate and infrastructure investment banking at DSP Merrill Lynch where he led capital raising for companies in the real estate and infrastructure sectors. Prior to joining DSP Merrill Lynch, Abhay worked at McKinsey & Co. in the media and entertainment and manufacturing sectors.

Vishal Vijay Gupta

Vishal Vijay Gupta is graduate in commerce from GS college, Nagpur. He is also a certified chartered accountant and has a masters in business administration from the Indian Institute of Management, Calcutta. He has worked as a bond trader for SBI Mutual Funds and as an executive assistant with DSL Software Limited. He is currently also the managing director of Bessemer Venture Partners, India.

D. Madhusudhana Reddy

D. Madhusudhana Reddy is a graduate in commerce from SV University at Tirupathi. He is a fellow member of the Institute of Chartered Accountants of India. He is also an associate member of the Institute of Company Secretaries of India, New Delhi. Previously, he has worked as the company secretary of Sathavahana Ispat Limited and Cuddapah Spinning Mills Limited, Hyderabad. He joined us in 1996 and has been engaged in the day-to-day activities relating to finance of our operational projects and those under implementation.

Sasamka Babu Potharlanka

Sasamka Babu Potharlanka has a bachelors degree in mechanical engineering from the Andhra University College of Engineering. He is a recipient of the "President's Award" for "Best Productivity in Industry". He has worked with Bharat Heavy Electricals Limited for 36 years in various capacities and has served as executive director with Bharat Heavy Electricals Limited for five years.

T. Stanley Babu

T. Stanley Babu is graduate in science with a gold medal from the Andhra Loyola College. He also holds a masters degree in science from the Andhra Loyola College. He has been on the board of trustees of several major ports in India (Kolkata, Madras and Vishakapatnam) and has also been a director of subsidiary companies of Coal India Limited including Bharat Coking Coal Limited, Eastern Coalfields Limited and Central Coalfield Limited. He is currently working as an advisor to the Government of Andhra Pradesh, advising on rail infrastructure in Andhra Pradesh. He has over 36 years of service with the Indian Railways and is a retired general manager of the Central Railways.

Debi Prasad Bagchi

Debi Prasad Bagchi holds a bachelors degree in arts (economics) and a masters degree in economics from Utkal University. He also holds an M.Phil in public administration from Punjab University. He joined the Indian Administrative Services in 1966 and retired in 2002. He has previously held positions such as the Chief Secretary and Chief Development Commissioner, Orissa; Secretary, Ministry of Small Scale Industries and Agro and Rural Industries, Government of India; Principal Adviser, Planning Commission; Additional Secretary and Financial Advisor, Ministries of Commerce and Textiles, Government of India, Principal Secretary, Labour and Employment, Government of Orissa; Principal Secretary, Department of Energy, Government of Orissa; Resident Commissioner, Government of Orissa; Joint Secretary, Ministry of Personnel, Government of India; Joint Secretary, Ministry of Commerce, Government of India.

A. Balraj

A. Balraj holds a masters degree in economics from University of Madras and has done his masters in business administration from University of Madras. He joined the Indian Administrative Services and has held several positions in the past such as, chairman and managing director of the Tamil Nadu Small Industries Development Corporation Limited; vice chairman of the Tamil Nadu Taxation Special Tribunal; chairman of the Tamil Nadu Electricity Regulatory Commission; chairman and managing director of the Tamil Nadu Energy Development Agency; secretary, Revenue Department; chairman, Madras Port Trust; secretary, Labour Department; managing director, Tamil Nadu Cement Corporation Limited; deputy secretary, Education Department. He is a member of the Indian Council of Arbitration and in part of the panel of arbitrators. He has acted as an arbitrator for NTPC, Poompuhar Shipping Corporation Limited, Ennor Port Corporation Limited. He is also a director on the boards of Manganese Ore (India) Limited and a nominee director of IREDA, Government of India, New Delhi.

Terms and conditions of employment of executive Directors

K. Raghu Ramakrishna Raju

K. Raghu Ramakrishna Raju was appointed as the Chairman and Managing Director of our Company by a resolution dated June 01, 2007 passed by the Board of Directors, for a period of three (3) years with effect from June 01, 2008. He has not executed any employment agreement with our Company.

In terms of the resolutions passed by the Board of Directors on June 28, 2008, the payment of an annual remuneration to him of Rs. 28.00 million has been approved. Corresponding authorisations have also been provided by the Remuneration Committee on September 06, 2008 and the shareholders of our Company on July 31, 2008. Since our Company had become a public limited company on April 28, 2008 and the remuneration exceeded the 5% limit stipulated under Schedule XIII of the Companies Act, our Company was required to take Central Government approval for the same under section 269 of the Companies Act. Our Company has sought clarifications from the Central Government regarding the remuneration which has been sanctioned for K. Raghu Ramakrishna Raju and the same is yet to be approved by them.

The remuneration paid to K. Raghu Ramakrishna Raju by our Company for fiscal 2009 is Rs. 0.56 million and by AERL for fiscal 2009 is Rs. 34.00 million.

Our Company has not entered into a service contract or employment agreement with any other Director.

Terms and conditions of employment of non-executive Directors

Except for the sitting fees of Rs. 5,000.00 for attending every Board meeting, our non-executive Directors are not entitled to any other remuneration from our Company.

Borrowing powers of the Board

Pursuant to a resolution passed by the shareholders at an annual general meeting on September 29, 2008, in accordance with the provisions of section 293(1)(d) of the Companies Act, our Board has been authorised to borrow sums of money for the purpose of our Company upon such terms and conditions and with or without security, as the Board of Directors may deem fit. Our Company may borrow money up to Rs. 5,000.00 million and upon such terms and in such manner as the Board may deem fit including granting any mortgage, charge or standard security over both its moveable and immovable assets.

Corporate Governance

We have complied with the requirements of corporate governance contained in the listing agreements to be entered into with the Stock Exchanges, particularly those in relation to the composition of the Board of Directors, constitution of committees such as audit committee, remuneration committee and investor/shareholders' grievance committee. Further, the provisions of the listing agreements to be entered into with the Stock Exchanges become applicable to us at the time of seeking in-principle approval of the Stock Exchanges. We have also adopted the corporate governance code in accordance with Clause 49 of the listing agreements to be entered into with the Stock Exchanges prior to listing, as would be applicable to our Company upon the listing of its Equity Shares.

Our Company undertakes to take all necessary steps to comply with all the requirements of the SEBI ICDR Regulations on corporate governance and adopt the corporate governance code as per Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

Currently our Board has 11 Directors, and the Chairman of the Board is an executive director. In compliance with the requirements of Clause 49 of the listing agreement, our Board consists of (i) not less than 50% non-executive Directors and (ii) at least 50% independent Directors. Our Board has the following committees:

- (a) Audit Committee;
- (b) Compensation Committee;
- (c) Shareholders'/Investors' Grievance Committee; and
- (d) IPO Committee

Audit Committee

The Audit Committee of our Board was reconstituted by our Directors by a board resolution dated May 06, 2010 pursuant to section 292A of the Companies Act. The Audit Committee comprises of Vuppalapati Sitarama Raju as Chairman and A. Balraj and D. Madhusudhana Reddy as members. The terms of reference of the Audit Committee includes,

- reviewing internal controls and internal audit function and their adequacy with the management / internal auditors;
- reviewing with the management, performance of statutory and internal auditors;
- oversight of the financial reporting process/disclosures and review of interim and annual financial statements before Board approval;
- appointment/ re-appointment/ replacement/ removal of statutory auditors and fixation of their audit fees and fees for other services;
- periodic discussions with the statutory auditors of the Company (whether before, during or after the audit) on internal control systems, nature and scope of audit, audit observations and areas of concern, if any;
- investigate any matter referred to it by the Board or within its terms of reference;
- review the outcome of internal investigations of material fraud, irregularity and failure of internal control system;
- to look into substantial defaults, if any, in payments to depositors, debenture-holders, creditors and shareholders;
- discussion with the internal auditors any significant findings and follow up thereon;
- reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions; and
 - qualifications in audit report, if any.

- to review the following information:
 - management discussion and analysis of financial conditions and results of operations;
 - statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - management letters/letters of internal control weaknesses issued by the statutory auditors;
 - internal audit reports relating to internal control weaknesses; and
 - the appointment, removal and terms of remuneration of the chief internal auditor.
- to review, with the management, the statement of uses/application of funds raised through an issue (including public issue, rights issue, preferential issue), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter; and
- approve the appointment of CFO (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background of the candidate.

Compensation Committee

The Compensation Committee was constituted by our Directors by a board resolution dated May 06, 2010 and comprises of Vaddarse Prabhakar Shetty as Chairman and Debi Prasad Bagchi and T. Stanley Babu as members. The terms of reference of the Compensation Committee includes,

- to approve payment of any remuneration to be paid to any executive director of the Company, including approving variance of remuneration already approved if any and to determine the remuneration of the non-executive directors of the Company;
- to formulate, administer and adopt the Employees' Stock Option Plan (ESOP) of the Company;
- to review and approve any disclosures in the annual report or elsewhere in respect of compensation policies or directors' compensation;
- to obtain such outside or professional advice as it may consider necessary to carry out its duties;
- to invite any employee or such document as it may deem fit for exercising of its functions;
- to attend to such matters with respect to the remuneration of senior and other employees as may be submitted to it by the managing director;
- to attend to any other responsibility as may be entrusted by the Board;
- to frame policies and compensation including salaries and salary adjustments, incentives, bonuses, promotion, benefits, stock options and performance targets of the senior management;
- to formulate strategies for attracting and retaining employees, employee development programmes;
- to determine the Company's remuneration policy, having regard to performance standards and existing industry practice;
- to implement, administer and superintend the ESOP Scheme and formulate the detailed terms and conditions of the ESOP Scheme; and
- to frame suitable policies and systems to ensure that there is no violation of the Insider Securities and Exchange Board of India (Insider Trading) Regulations, 1992; and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995, by any employee.

Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee was constituted by our Directors by a board resolution dated May 06, 2010 and comprises of Debi Prasad Bagchi as Chairman and T. Stanley Babu and D. Madhusudhana Reddy as members. The terms of reference of the Shareholders'/Investors' Grievance Committee includes,

- to consider and review the queries/complaint received from share/ debenture holders;
- to take steps to redress queries/ complaints and ensure speedy satisfaction to shareholders/ investors;
- to perform such acts and assignments as may be assigned to the committee by the Board from time to time; and
- to work under the control and supervision of the Board.

IPO Committee

The IPO Committee was constituted by our Directors by a board resolution dated May 06, 2010 and comprises of Vuppalapati Sitarama Raju as Chairman and K. Raghu Ramakrishna Raju, D. Madhusudhana Reddy and Abhay Kumar Pandey as members. The IPO Committee is in charge of all the affairs in relation to our initial public offering.

Shareholding of our Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification Equity Shares in our Company. Save and except as stated below, our Directors do not hold any Equity Shares in our Company, in their personal capacity, as of the date of filing of this Draft Red Herring Prospectus:

Name of Directors	No. of Equity Shares	% of paid up Equity Share Capital (assuming minimum conversion of Convertible Securities)	% of paid up Equity Share Capital (assuming maximum conversion of Convertible Securities)
K. Raghu Ramakrishna Raju	5,576,982	5.6	4.6
K. Rama Devi	2,547	0.0	0.0

Interest of our Directors

All our Directors, including independent directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses payable to them pursuant to our Articles of Association and to the extent of remuneration paid to them for services rendered as officers of our Company.

All our Directors, including independent Directors, may also be deemed to be interested to the extent of Equity Shares, if any, already held by them, including equity shares offered under the ESOP Scheme(s) or that may be subscribed for and allotted to them pursuant to the Issue in terms of the Draft Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our Directors, including independent directors, may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to the companies, firms and trusts, in which they are interested as directors, members, partners or trustees and promoters pursuant to this Issue.

Except K. Raghu Ramakrishna Raju and K. Rama Devi, none of our Directors are interested in the promotion of our Company:

Some of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to any body corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees. For details, please refer to the Section titled "Financial Statements" on page 270.

Except as disclosed hereinabove and the section titled "Risk Factors" on page 13, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by our Company.

Except as stated in the section titled 'Financial Information' and to the extent of compensation and commission if any, and their shareholding in our Company, our Directors do not have any other interest in our business or that of any of our Subsidiaries.

Other than as disclosed below, our Directors have no interest in any property acquired or proposed to be acquired by our Company or our Subsidiaries in the preceding two years of filing this Draft Red Herring Prospectus with SEBI nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company or our Subsidiaries.

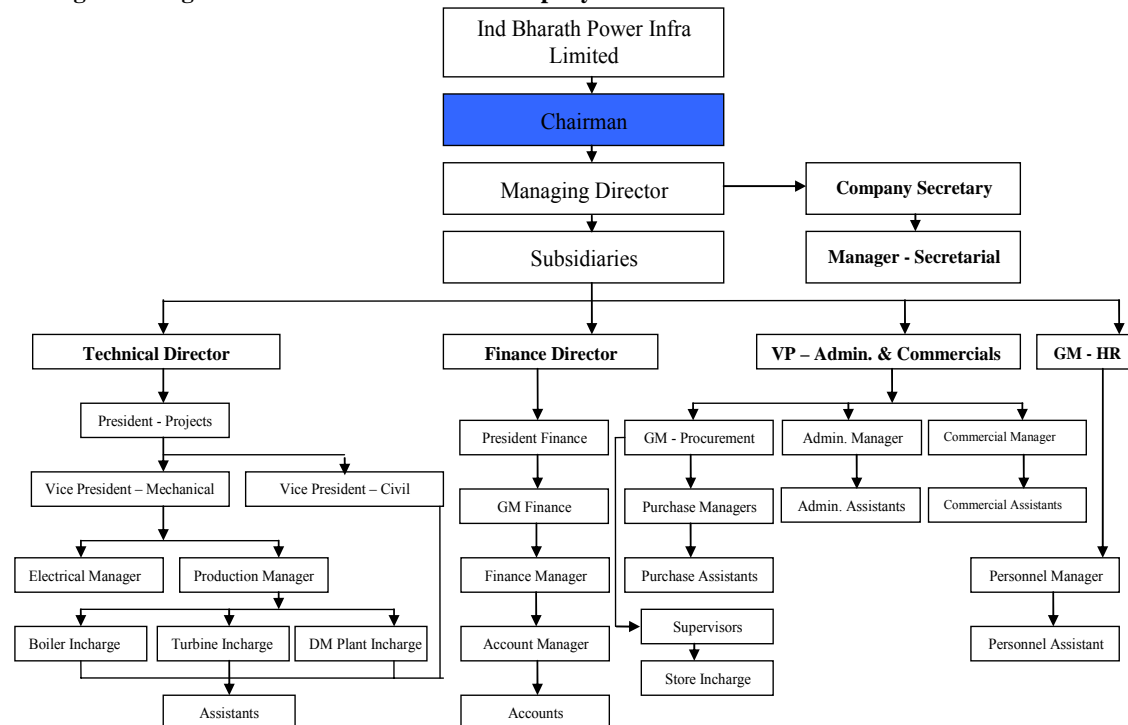
Name of Promoter	Nature of interest
Kanumuru Rama Devi	Lease Agreement dated August 27, 2007 between Ind-Barath Energies Limited and Kanumuru Rama Devi for lease of the Registered Office premises. And a sub-lease agreement dated October 01, 2007 between our Company and Ind-Barath Energies Limited for the lease of the same Registered Office premises.

K. Rama Devi is our Promoter as well as non-executive Director.

Changes in our Board in the three years preceding the date of filing of this Draft Red Herring Prospectus are as follows:

Name of the Director	Date of appointment	Date of cessation	Reason
Dr. P.V.S Jaganmohan Rao	September 06, 2008	November 12, 2009	Resignation
D. Madhusudhana Reddy	January 29, 2010	-	Appointment
P. Sasamka Babu	May 06, 2010	-	Appointment
T. Stanley Babu	May 06, 2010	-	Appointment
Sudhir Kumar Dash	September 06, 2008	May 06, 2010	Resignation
Sitaramam Komaragiri	March 26, 2009	May 06, 2010	Resignation
Sunil Kolangara Kumar	September 06, 2007	May 06, 2010	Withdrawal of nomination by UTI
A. Balraj	May 06, 2010	-	Appointment
Debi Prasad Bagchi	May 06, 2010	-	Appointment

Management organisational structure of the Company



Our Key Management Personnel

The Key Management Personnel of, both our Company and Subsidiaries, are permanent employees. Except for certain statutory benefits, there are no other benefits accruing to our Key Management Personnel.

Brief details of our Company's Key Management Personnel are set forth below who have been selected, based on the criteria set out in Regulation 2(s) of the SEBI ICDR Regulations.

Key managerial employees of our Company

Dr. P.V.S. Jagan Mohan Rao (Company Secretary of our Company)

Dr. P.V.S. Jagan Mohan Rao is a law graduate from Osmania University, a post graduate in commerce from Sri Venkateswara University, a Fellow Member of the Institute of Company Secretaries of India, a Fellow Member of the Institute of Cost and Works Accountants of India and also holds a doctorate degree in capital markets from the School of Management Science, JNTU, Hyderabad. He has over 30 years of work experience heading finance, secretarial, legal and general management departments of various companies. He has worked with various companies including Karvy Consultants Limited and Nagarjuna Construction Company Limited before joining us on November 16, 2007. For fiscal 2009, the remuneration paid by our Company to him was Rs. 165,000.00 per month.

P V Vijay Kumar (President – Finance, our Company)

P V Vijay Kumar is a management graduate from ICAI and holds a bachelors degree in technology (electronics and communications engineering) from Jawaharlal Nehru Technological University. He also holds CAIIB certification from the Indian Institute of Bankers. He has over 14 years of experience in project, infrastructure, structured finance, merchant banking and commercial banking. He has worked with Canara Bank, IDBI, GE Capital and Axis Bank before joining us on March 01, 2010. He is responsible for fund raising for the group. For fiscal 2009, the remuneration paid by our Company to him was Rs. 200,000.00 per month.

Krishna Murthy Kalapatapu (Vice President – Projects (Mechanical), our Company)

Krishna Murthy Kalapatapu is a graduate in mechanical engineering from Osmania University. He has over 25 years of work experience in the infrastructure sector with various companies in key management positions, both in India and overseas, such as Turbo Machinery Engineering Services Private Limited, Tata Projects Limited, Doosan Heavy Industries & Construction Company Limited and LANCO Infratech Limited. He has joined us on January 01, 2010, as Vice President – Projects (Mechanical). For fiscal 2009, the remuneration paid by our Company to him was Rs. 141,666.00 per month.

Key managerial employees of our Subsidiaries

Finance

Sitaramam Komaragiri (Managing Director, IBTPL)

Sitaramam Komaragiri is a graduate in public administration from the Indian Institute of Bankers, Bombay. He has over 20 years of work experience with various branches of the State Bank of India. He was appointed as Managing Director of IBTPL by its board of directors by a resolution dated March 09, 2009, for a term of five years. For fiscal 2009, the remuneration paid by IBTPL to him was Rs. 121,000.00 per month.

G. Manoharan (Director - Finance, PT Indbharath Energy)

G. Manoharan is a graduate in science from Madurai University and is a fellow member of the Institute of Chartered Accountants of India and a company secretary. He has over 32 years of work experience in project finance and has worked with various companies like Penna Cement Limited, Sri Bhagavathi Textiles Limited, Precot and Super Spinning Mills Limited and Super Shock Absorbers Limited before joining us on February 03, 2002, For fiscal 2009, the remuneration paid by AERL to him was Rs. 200,000.00 per month.

R. Balakrishnan (Director - Finance, IBPGL)

R. Balakrishnan is a graduate in commerce from Madras University and is a qualified chartered accountant. He has over 38 years work experience in project finance, credit and merchant banking at Andhra Bank before joining us on January 01, 2007. He is involved in handling IBPGL's power plant and other projects in Tamil Nadu. For fiscal 2009, the remuneration paid by IBPGL to him was Rs. 180,000.00 per month.

P Venkatgopal (General Manager – Accounts and Finance, AERL)

P Venkatgopal is a graduate in commerce from Osmania University and is a chartered accountant. He joined us on June 26, 1996 and has over 15 years of work experience in finance and accounting with AERL. He is currently designated as general manager (accounts and finance). For fiscal 2009, the remuneration paid by AERL to him was Rs. 68,500.00 per month.

V.Narsimha Bharathi (Company Secretary, IBEUL)

V. Narsimha Bharathi is a graduate in commerce from Madurai University, a qualified chartered accountant and a company secretary. He has over 25 years work experience in accounts and finance and has worked with various companies including Shri Prabhulingeswar Sugars and Chem Limited, Davengere Sugar Company Limited, Penna Cement Industries Limited, Trident Power Systems Limited, Merven Drug Products Limited, United India Insurance, National Hydro Electric Power Corporation Limited before joining us on July 02, 2005. For fiscal 2009, the remuneration paid by IBEL to him was Rs.57,500.00 per month.

Technical

Pradeep Manohar Ghodke (President - Projects, IBTPL)

Pradeep Manohar Ghodke is a graduate in mechanical engineering from the Indian Institute of Technology, Powai, and also holds post graduate diplomas in operations research management and in business finance from Indian Institute of Technology, Powai. He has over 25 years work experience in the management of turnkey engineering projects in companies including the Tata group, Thermax Limited and Walachandnagar Industries Limited before joining our group of March 26, 2008. He joined IBTPL on September 01, 2008. For fiscal 2009, the remuneration paid by IBTPL to him was Rs. 108,900.00 per month.

Jagannath Mohapatra (Director – Technical, IBEUL)

Jagannath Mohapatra is an engineering graduate from Sambalpur University. He has over 30 years of work experience in management positions for various power projects at NTPC Limited, before joining us on April 03, 2009.

L. Vishwanathan (Senior Vice President, IBPML)

L. Vishwanathan is a graduate in electrical engineering from the Mumbai University. He has over 25 years of work experience in erection and commission of plants and has worked with Mukund Iron and Steel Works Limited, Hofincons, before joining us on April 17, 2010.

P. Mayilvel (Vice President - Technical, IBPGL)

P. Mayilvel is a graduate in mechanical engineering and a post graduate in thermal power energy from Vinayaka Deemed University, Salem, Tamil Nadu and M.Phil in labour management from Madurai Kamaraj University. He has over 17 years of work experience with various reputed companies like the TVS group, Kuwait National Petrochemicals Corporation, Wartsila India Limited, ONGCL, Southern Petrochemical Industries Corporation Limited before joining us on May 02, 2007 and is currently designated as vice president (technical). For fiscal 2009, the remuneration paid by IBPGL to him was Rs. 95,000.00 per month.

R. Thiruvengadaswamy (Vice President – Operations and Maintenance, IBPGL)

R. Thiruvengadaswamy is a graduate in mechanical engineering from AMIE (Associate Member of the Institute of Engineers) and belongs to the UPSC 1973 batch (All India Engineering Services Examinations for Central Services). He has had over 30 years of work experience in the power sector with companies such as the NTPC Limited and Chettinad Power Company Limited. He has joined us on December 31, 2009, as Vice President (O&M). For fiscal 2010, the remuneration paid by our Company to him was Rs. 130,000.00 per month.

P.V.S.N. Raju (Vice President - Projects, IBTPL)

P.V.S.N. Raju is a graduate in civil engineering from Siddaganga Institute of Technology, Tumkur. He also holds a doctorate degree in ocean engineering from Indian Institute of Technology, Madras. He has over 20 years work experience as project co-ordinator and consultant for various greenfield projects, technical feasibility studies for marine, highway and pipeline projects, before joining IBTPL on October 01, 2008. For fiscal 2009, the remuneration paid by IBTPL to him was Rs. 91,640.00 per month.

K.Venketeshwar Rao (Plant Manager - Technical, IBEL)

K.Venketeshwar Rao is a graduate in technology, B.O.E (Boiler Operation Engineering) from the Karnataka State Board of Technical Education and diploma in mechanical engineering from Andhra University. He has over 19 years of work experience and has worked with various organisations like Veeraih Non Conventional Projects Limited, Roshini Powertec Limited, Protech Enterprises, The Costal Chemicals Limited, Narne Tulaman Manufacturers Private Limited before joining us on February 01, 1997. For fiscal 2009, the remuneration paid by IBEL to him was Rs. 36,900.00 per month.

Sarveshwar Rao (Deputy General Manager - Technical, IBEML)

Sarveshwar Rao holds a diploma in mechanical engineering. He has over 32 years of work experience and has worked with various organisations like Gayatri Agro Ind Power Limited, Foods Fats and Fertilizers Limited before joining us on May 22, 2008. For fiscal 2009, the remuneration paid by IBEML to him was Rs. 40,000.00 per month.

Thiruniraiselvam (Plant Manager - Technical, IBETL)

Thiruniraiselvam is a graduate in mechanical engineering, B.O.E (Boiler Operation Engineering) from Madras University. He has over 13 years of work experience and has worked with Bannari Amman Sugars Limited as a maintenance engineer before joining us on January 21, 2008. For fiscal 2009, the remuneration paid by IBETL to him was Rs. 52,000.00 per month.

Commercial and Administration

M.N.V. Sudhakar (Vice President – Commercial and Administration, AERL)

M.N.V. Sudhakar is a graduate in business administration from the University of Madras. He has about 15 years work experience in project development, administration and project management. He has previously worked with the Caterpillar group and with Nagarjuna Agro Tech Limited. He joined us on April 01, 2005 and is involved primarily in the supervision and implementation of our power projects in Tamil Nadu. For fiscal 2009, the remuneration paid by AERL to him was Rs. 100,000.00 per month.

T.S Das (Vice President – Corporate Planning, AERL)

T.S. Das is a graduate in electrical engineering from University of Calicut and is a post graduate in industrial engineering from Indian Institute of Industrial Engineering. He has approximately 30 years of work experience in the steel and power sectors in companies in India and overseas, including Steel Authority of India Limited and GMR Power Limited. He joined us on April 15, 2001 and has been actively involved in the co-ordination of technical activities of our group companies, liaising with governmental authorities to receive statutory clearances, negotiation and finalisation of contracts and project planning and specifications. For fiscal 2009, the remuneration paid by AERL to him was Rs. 135,000.00 per month.

Jarard Kishore (Vice President - Commercial and Legal, IBPML)

Jarard Kishore is a graduate in commerce from Loyola College, Chennai and is a qualified chartered accountant registered with the Institute of Chartered Accountants of India. He has about 20 years work experience in positions of senior management of accounts and finance with various groups including Tablets India Limited, GEA Energy System (India) Limited and the TNEB, before joining us on September 01, 2008. For fiscal 2009, the remuneration paid by IBPML to him was Rs. 141,667.00 per month.

Muralidhar Mishra – (Vice President - CR & Administration - Projects, IBEUL)

Muralidhar Mishra holds a diploma in human resources management from Pondichery University. He has over 16 years of work experience and has worked with various reputed companies like Orissa State Handloom and Orissa Power Consortium Limited, before joining us on January 09, 2007 and is currently designated as vice president (CR and Administration). For fiscal 2009, the remuneration paid by IBEUL to him was Rs. 60,000.00 per month.

K. Krishnam Raju (Vice President - Commercial, RRREL)

K.Krishnam Raju is a graduate in B.S.C (AG), AC&AB (agriculture and agriculture business) and a diploma in agriculture clinic and agriculture business from ANGR Agricultural University, Hyderabad. He has over 29 years of work experience and has worked with various organisations like EID Parry, APS Agro Industries Dev Corporation Limited, Schedule Caste Finance Development Corporation, SSAIP.Limited, Magus Metals Private Limited, Nizam Deccan Sugars Limited, NABARD Ministry of Agricultural, Government of India before joining us on March 03, 2008. For fiscal 2009, the remuneration paid by RRREL to him was Rs. 50,000.00 per month.

N. S. Murthy (Vice President - Business Development, Projects, IBECL)

N. S. Murthy is a graduate in chemical engineering and a masters in mineral process engineering from Andhra University and holds an MTech in chemical engineering from Andhra University and is an MBA from Vinayaka University, Tamil Nadu. He has about 14 years of work experience in positions of senior management in various organisations such as Narmada Cement Company Limited for 16 years as senior manager production, Welding Rods of India as a general manager, as senior manager for projects in L& T and GMR Groups before joining IBECL.He joined us on September 06, 2007. For fiscal 2009, the remuneration paid by IBECL to him was Rs. 146,650.00 per month.

H.B.Patnaik (Executive Director, DHPL)

H.B.Patnaik is a graduate in science (physics) from Utkal University and has an MBA from Visvesvaraya Technological University, Belgaum. He has over 13 years work experience in executing, commissioning and managing all aspects of power project. He joined us on December 18, 2000. For fiscal 2009, the remuneration paid by DHPL to him was Rs. 50,000.00 per month.

K. V. R. Ramakrishnam Raju (Executive Director, IBEL)

K.V.R.Ramakrishnam Raju is a graduate in commerce from Nagarjuna University and has an MBA from the Institute of Business Administration and Management, New Delhi. He has over 15 years of work experience and has worked as a senior management in various organisations like Nizam Deccan Sugars Limited before joining us on July 01, 2008. For fiscal 2009, the remuneration paid by IBEL to him was Rs. 30,000.00 per month.

Shareholding of our Key Management Personnel

None of our Key Management Personnel hold Equity Shares.

There is no bonus or profit sharing plan for the Key Management Personnel of our Company and/or Subsidiaries.

Interest of Key Management Personnel

None of our Key Management Personnel have any interest in our Company and/or Subsidiaries except to the extent of remuneration, benefits and reimbursement of expenses incurred by them in the ordinary course of business to which they are entitled to as per the terms of their appointment. None of our Key Management Personnel have been appointed pursuant to any arrangement or understanding with our Company's major shareholders, customers or suppliers or others.

Set forth below are our Key Management Personnel who are directors in our Subsidiaries:

Name of Key Management Personnel	Name of subsidiary
M.N.V. Sudhakar	IBETL
Ramachandran Balakrishnan	IBPGL
G.Manoharan	IBETL, RRREL, AERL, IBTPL, Ind-Barath Power (Konkan) Limited and PT Indbharath Energy
K. V. R Ramakrishnam Raju	IBEL
H.B.Patnaik	DHPL

Scheme of Employee Stock Option or Employee Stock Purchase for our Key Management Personnel

For details on our ESOP Scheme, please refer to the section titled "Capital Structure" on page 72.

Changes in our Key Management Personnel

Except as disclosed below, there has been no change in our Key Management Personnel during the last three years preceding the date of filing this Draft Red Herring Prospectus.

Name of Key Management Personnel	Current Designation	Date of appointment	Date of Cessation	Reason
B. V. Krishnam Raju	Deputy General Manager - Technical, RRREL	May 22, 2008	April 11, 2010	Resignation
Krishna Murthy Kalapatapu	Vice President - Projects (Mechanical), IBPIL	January 01, 2010	-	Appointment
R. Thiruvengadaswamy	Vice President - Operations and Maintenance, IBPGL	December 31, 2009	-	Appointment
Jagannath Mohapatra	Director - Technical, IBEUL	April 03, 2009	-	Appointment
Sitaramam Komaragiri	Managing Director, IBTPL	March 09, 2009	-	Appointment
P.V.S.N. Raju	Vice President - Projects, IBTPL	October 01, 2008	-	Appointment
Jarard Kishore	Vice President - Commercial and Legal, IBPML	September 01, 2008	-	Appointment
K. V. R. Ramakrishnam Raju	Executive Director, IBEL	July 01, 2008	-	Appointment
K. Krishnam Raju	Vice President - Commercial, RRREL	March 03, 2008	-	Appointment
Pradeep Manohar Ghodke	President - Projects, IBTPL	March 26, 2008	-	Appointment
Thiruniraiselvam	Plant Manager - Technical, IBETL	January 21, 2008	-	Appointment
P. Mayilvel	Vice President - Technical, IBPGL	May 02, 2007	-	Appointment
Dr. P.V.S. Jaganmohan Rao	Company Secretary	November 16, 2007	-	Appointment
N. S. Murthy	Vice President - Business Development, Projects, IBECL	September 06, 2007	-	Appointment
L. Vishwanathan	Senior Vice President, IBPML	April 17, 2010	-	Appointment
P V Vijay Kumar	President - Finance	March 01, 2010	-	Appointment

Payment or benefit to officers of our Company

Except as disclosed in this Draft Red Herring Prospectus and statutory payments made by our Company, our Company has not paid any sum to our employees in connection with superannuation and/or *ex-gratia* payments or rewards and has not paid any non-salary amount or benefit to any of our officers. Except as stated in the section titled “Financial Information” on page 270, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

Relationship between the Directors and the Key Management Personnel

None of the Directors or the Key Management Personnel are related to each other, except for: (i) K. Rama Devi is the spouse of K. Raghu Ramakrishna Raju and (ii) K.V.R.Ramakrishnam Raju who is the brother of K. Rama Devi .

OUR PROMOTERS AND GROUP COMPANIES

Our Promoters

Individuals

The following individuals are the Promoters of our Company:

1. K. Raghu Ramakrishna Raju
2. K. Rama Devi

The details of our Promoters are provided below:



K. Raghu Ramakrishna Raju

PAN: ALTPK9688G
Passport Number: Z1865570
Voter ID Number: TDZ0364091



K. Rama Devi

PAN: AHSPB1318F
Passport Number: F6774787
Voter ID Number: TDZ0364083

For additional details on the age, background, personal address, educational qualifications, experience, terms of appointment as Directors and other directorships of K. Raghu Ramakrishna Raju and K. Rama Devi, please refer to the section titled “Our Management” on page 239.

We confirm that the PAN, bank account numbers and passport numbers of our Promoters will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with the Stock Exchanges.

Companies

The following company is the Promoter of our Company:

1. ***Sriba Seabase Private Limited***

Sriba Seabase Private Limited was incorporated on October 12, 1994 as Pavan Garo Private Limited. The name of the company was changed on December 12, 1996 to Sriba Seabase Private Limited. The registered office of Sriba Seabase Private Limited is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033. The company was incorporated with the main object of aqua culture. Currently, Sriba Seabase Private Limited does not undertake any activity. K. Raghu Ramakrishna Raju and K. Rama Devi are the promoters of Sriba Seabase Private Limited.

Shareholding pattern as on March 31, 2010

Shareholders	No. of equity shares	Shareholding (%)
K. Raghu Ramakrishna Raju	5099	50
K. Rama Devi	5099	50
Total	10,198	100%

Directors as on March 31, 2010

1. K. Raghu Ramakrishna Raju
2. Kanumuru Rama Devi
3. V.V.V. Satyanarayana Rao

Financial performance

(Rs. million except per share data)

	March 31, 2009	March 31, 2008	March 31, 2007
Sales and other income	0.44	2.28	577.17
Equity share capital ⁽¹⁾	0.10	0.10	0.10
Reserves (excluding revaluation reserves)	(1.35)	(1.39)	(1.74)
Net Asset Value per share	16,379.96	12,944.37	742.58
Profit After Tax ('PAT')	0.04	0.36	0.21
Earnings per share	3.54	34.89	21.04

The face value of each equity share is Rs. 10.00.

Sriba Seabase Private Limited is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding-up and does not have a negative net worth.

We confirm that the PAN, bank account numbers, the company registration numbers and the addresses of the Registrar of Companies where the companies are registered will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with the Stock Exchanges.

Other understandings and confirmations

Our Promoters, the members of the Group Companies and relatives of the Promoters have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoters or members of our Group Companies in the past or are pending against them. None of (i) our Promoters, Promoter Group or the Group Companies or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of the Promoters are or were associated as a promoters, directors or persons in control, are debarred or prohibited from accessing the capital markets for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Common pursuits

Except as disclosed in the section titled "Risk Factors" on page 13, none of the Directors or his relatives or entities in which he is associated as a promoter, director, partner, proprietor or trustee, hold any Equity Shares, warrants, employee stock options or other convertible instruments in our Company as of date. Further there are no common pursuits among the Group Companies, Subsidiaries, associate companies and the Company.

Our Company has not adopted any measures for mitigating such conflict situations. For further details on the related party transactions, to the extent of which our Company is involved, please refer to the Section titled "Financial Information" on page 270.

Interest of our Promoters

The shareholding of our Promoters in our Company is set forth in the section titled “Capital Structure” on page 72. Other than as disclosed below, other than as our shareholders, Promoters and to the extent of sitting fees to be received by them in their capacity as Non-executive Directors, our Promoters do not have any other interest in our Company.

Name of Promoter	Nature of interest
Kanumuru Rama Devi	Lease Agreement dated August 27, 2007 between Ind-Barath Energies Limited and Kanumuru Rama Devi for lease of the Registered Office premises. And a sub-lease agreement dated October 01, 2007 between our Company and Ind-Barath Energies Limited for the lease of the same Registered Office premises.

Interest of our Promoters in the promotion of our Company

The Promoters of our Company have also entered into certain agreements with other shareholders governing their rights in our Company. For details regarding the terms of these shareholder agreements, see the section “History and Certain Corporate Matters” on page 214.

Interest in property, land and construction

Our Promoters and the Group Companies do not have any interest in any property acquired by our Company or the Subsidiaries within two years preceding the date of filing this Draft Red Herring Prospectus with SEBI or any property proposed to be acquired by the Company or the Subsidiaries or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Litigation

For details regarding litigation involving our Promoters and Group Companies, please refer to the section titled “Outstanding Litigation and Material Developments”, on page 413.

Related Party Transactions

For details of (i) payments or benefits to the Promoters and the Promoter Group during the two years preceding the date of filing of this Draft Red Herring Prospectus (ii) sales or purchases between our Company, its Subsidiaries and the Group Companies where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company; and (iii) business interests of Group Companies and the Subsidiaries, see the section titled “Financial Statements” on page 270.

Disassociation by the Promoters in the last three years

Details of resignation from the board of directors of the Group Companies in the last three years

S. No.	Name of Group Company	Date of resignation - K. Raghu Ramakrishna Raju	Date of resignation - K. Rama Devi	Reason
1.	Arkay Energy (Utkal) Limited	March 02, 2009	January 10, 2007	Resignation
2.	Ind-Barath Energies (Gujarat) Limited	November 18, 2007	-	Resignation
3.	Raghu Rama Renewable Energy (Gujarat) Limited	January 20, 2007	-	Resignation
4.	Ind-Barath Power (Cuddalore) Limited	March 02, 2009	-	Resignation
5.	Ind-Barath Power (Konkan) Limited	August 11, 2007	August 11, 2007	Resignation
6.	Ind-Barath Bioscience Limited	January 10, 2007	-	Resignation
7.	Sriba Agro Limited	March 02, 2009	-	Resignation
8.	Ind-Barath Green Power Limited	August 11, 2007	-	Resignation

Details of transfers of shares of the Group Companies in the last three years

	Name of Group Company	No. of shares transferred by K. Raghu Ramakrishna Raju	No. of shares transferred by K. Rama Devi	No. of shares transferred by Sriba Seabase Private Limited
1.	Ind-Barath Green Power Limited	19,900	19,900	-
2.	Ind-Barath Power Infra Limited	-	-	302,085

Payment of benefits to our Promoters during the last two years

Except as stated in the section titled “Financial Statements” on page 270 there has been no amounts or benefits paid or given or intended to be paid or given to our Promoters or the Promoter Group within the two years preceding the date of filing of this Draft Red Herring Prospectus with SEBI.

Group Companies

The following companies, form part of our Group Companies:

S. No.	Name
Unlisted Companies	
1.	Ind-Barath Power (Konkan) Limited
2.	Raghu Rama Renewable Energy (Gujarat) Limited
3.	Arkay Energy (Utkal) Limited
4.	Ind-Barath Power (Cuddalore) Limited
5.	Ind-Barath Energies (Gujarat) Limited
6.	Ind-Barath Bioscience Limited
7.	Ind-Barath Commodities Limited
8.	Sriba Agro Limited
9.	NATL Power Limited
10.	Ind-Barath Green Power Limited

Certain details of our Group Companies are as provided below.

In addition, except as stated below, none of our Group Companies have any contingent liabilities that have not been disclosed. Further, none of our Group Companies have any qualifications made by the auditors in the audited financial statements.

Except as disclosed below, other than in respect of their shareholding and representation on the board, the Promoters do not have any interest in any of the Group Companies.

Name of Promoter	Nature of interest
K. Raghu Ramakrishna Raju	Agreement for hire of HMTV goods carrier dated November 15, 2007 between K. Raghu Ramakrishna Raju and RRREL.
K. Raghu Ramakrishna Raju	Agreement for hire of JCB 3DX excavater loader dated November 15, 2007 between K. Raghu Ramakrishna Raju and IBETL.

The financial information given below for the Group Companies has been derived from their audited financial statements.

Top three Group Companies based on turnover are as follows:

1. Ind-Barath Commodities Limited
2. Sriba Agro Limited
3. NATL Power Limited

Currently, the other Group Companies, i.e. Ind-Barath Power (Konkan) Limited, Raghu Rama Renewable Energy (Gujarat) Limited, Arkay Energy (Utkal) Limited, Ind-Barath Power (Cuddalore) Limited, Ind-Barath Energies (Gujarat) Limited, Ind-Barath Bioscience Limited and Ind-Barath Green Power Limited, do not undertake any activity.

Unlisted companies

1. Ind-Barath Commodities Limited

Ind-Barath Commodities Limited was incorporated on July 03, 1974 as a private limited company under the name “Nagarjuna Solvent Oil Industries Private Limited”. On January 27, 1993, the name was changed to “Nagarjuna Agro-Tech Private Limited”. On February 24, 1995, the company was converted to a public company and the name was changed to “Nagarjuna Agro-Tech Limited”. On March 22, 2000, the name was further changed to “NATL Technologies Limited”. On May 26, 2008, the company changed its name to “Ind-Barath Commodities Limited”. The registered office of Ind-Barath Commodities Limited is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033, India. Ind-Barath Commodities Limited was incorporated with the main object of carrying on the business of manufacturers and traders of different types of oils. Currently, Ind-Barath Commodities Limited is engaged in the business of manufacturing and trading of oil and castor derivatives.

Shareholding pattern as on March 31, 2010

Shareholders	No. of equity shares	Shareholding (%)
Sriba Agro Limited	1,340,650	13.88
Videocon Leasing and Industrial Finance Ltd	1,298,336	13.44
D S S Varma	1,240,490	12.84
K Rama Devi	978,861	10.14
K Raghu Ramakrishna Raju	812,306	8.41
Individual shareholders numbering 302, each holding less than 2% of the Company	3,987,140	41.28
Total	9,657,783	100.00

Directors as on March 31, 2010

1. K. Raghu Ramakrishna Raju
2. K. Indira Priyadarshini
3. D. Madhusudhana Reddy
4. Hiroo Advani
5. V.S.N. Murthy
6. K. Sudarshan Varma
7. Putta Veera Venkata Satya Narayana Rao
8. V. Prakash Manian

Financial performance

(Rs. million except per share data)

	March 31, 2009	March 31, 2008	March 31, 2007
Equity capital ⁽¹⁾	96.58	70.77	70.77
Reserves and surplus (excluding revaluation reserves)	13.74	10.08	6.80
Sales / Turnover	814.36	909.24	696.72
Profit / (Loss) after tax	3.66	3.28	4.74
Earnings per share (Basic)	0.38	0.46	0.67
Net Asset Value	11.13	10.95	10.41

The face value of each equity share is Rs. 10.00.

Ind-Barath Commodities Limited is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding- up and does not have a negative net worth.]

2. Sriba Agro Limited

Sriba Agro Limited was incorporated on October 06, 1995 as a public limited company. The registered office of Sriba Agro Limited is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033, India. Sriba Agro Limited was incorporated with the main object of carrying on the business of manufacturers and traders of different types of oils. Currently, Sriba Agro Limited is engaged in the business of manufacturing and trading of oil.

Shareholding pattern as on March 31, 2010

Shareholders	No. of equity shares	Shareholding (%)
K Raghu Ramakrishna Raju	235,168	7.77
K Rama Devi	230,168	7.60
K Bharath	700,00	2.31
Boston Teknowsys (India) Limited	616,436	20.36
Individual shareholders numbering 262, each holding less than 2% of the Company	1,875,557	61.96
Total	3,027,329	100.00

Directors as on March 31, 2010

1. K. Sudarshan Varma
2. B.V.S. Prasad
3. V.V.V. Satyanarayana Rao

Financial performance

(Rs. million except per share data)

	March 31, 2009	March 31, 2008	March 31, 2007
Equity capital ⁽¹⁾	30.27	30.27	30.27
Reserves and surplus (excluding revaluation reserves)	(10.61)	(11.34)	(15.28)
Sales / Turnover	399.86	430.84	256.01
Profit / (Loss) after tax	0.72	3.94	1.32
Earnings per share (Basic)	0.24	1.30	0.44
Net Asset Value	6.49	6.26	4.82

The face value of each equity share is Rs. 10.00.

Sriba Agro Limited is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding- up and does not have a negative net worth.

3. NATL Power Limited

NATL Power Limited was incorporated on February 03, 1999 as a public limited company. The registered office of NATL Power Limited is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033, India. NATL Power Limited was incorporated with the main object of generation, transmission, distribute and supply of electric power and energy and construction of its generation/transmission assets. Currently, NATL Power Limited undertakes the business of generation and operation of a 4.05 MW hydal power plant in Andhra Pradesh.

Shareholding pattern as on March 31, 2010

Shareholders	No. of equity shares	Shareholding (%)
K. Raghu Ramakrishna Raju	1,676,809	39.38
K. Rama Devi	250,009	5.87
Ind-Barath Commodities Ltd	9	0.00
Jasper Industries Pvt Ltd	410,000	9.63
Kadamb Constructions Limited	580,000	13.62
Olympia Securities Limited	100,000	2.35
Sriba Seabase Private Limited	44,500	1.05
Individual shareholders numbering 119, each holding less than 2% of the Company	1,196,536	28.10
Total	4,257,863	100.00

Directors as on March 31, 2010

1. K. K. Raghu Ramakrishna Raju
2. K. Rama Devi
3. Putta Veera Venkata Satya Narayana Rao
4. B.S. Peter

Financial performance

	<i>(Rs. million except per share data)</i>		
	March 31, 2009	March 31, 2008	March 31, 2007
Equity capital ⁽¹⁾	42.58	42.58	42.58
Reserves and surplus (excluding revaluation reserves)	(60.59)	(76.63)	(82.90)
Sales / Turnover	54.95	53.87	38.49
Profit / (Loss) after tax	16.04	6.27	14.44
Earnings per share (Basic)	3.77	1.47	3.39
Net Asset Value	(3.02)	(6.78)	(8.26)

The face value of each equity share is Rs. 10.00.

NATL Power Limited is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding- up and does not have a negative net worth.

4. Ind-Barath Power (Konkan) Limited

Ind-Barath Power (Konkan) Limited was incorporated on November 10, 2003 as a public limited company under the name "IBEL Gas Power Limited". Subsequently on April 23, 2007 its name was changed to its present name "Ind-Barath Power (Konkan) Limited". The registered office of Ind-Barath Power (Konkan) Limited is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033. Ind-Barath Power (Konkan) Limited was incorporated with the main object of generating, harnessing, developing, accumulating, distributing and supplying electricity by setting up power plants, to undertake the business of consultants and contractors in setting up plants for the production of electrical energy, and to carry on the business of supply of electricity. Currently, Ind-Barath Power (Konkan) Limited does not undertake any activity.

Shareholding pattern as on March 31, 2010

Shareholders	No. of equity shares	Shareholding (%)
K Raghu Ramakrishna Raju	20,000	40
K. Rama Devi	20,000	40
D. Madhusudhana Reddy	2,000	4
V.S.N. Murthy	2,000	4
B.V.S.Prasad	2,000	4
V. Perraju	2,000	4
M.V. Basivi Reddy	2,000	4
Total	50,000	100%

Directors as on March 31, 2010

1. G Manoharan
2. B V S Prasad
3. K Indira Priyadarshini

Ind-Barath (Konkan) Limited is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding-up and does not have a negative net worth.

Financial performance

	<i>(Rs. million except per share data)</i>		
	March 31, 2009	March 31, 2008	March 31, 2007
Equity capital ⁽¹⁾	0.50	0.50	0.50
Reserves and surplus (excluding revaluation reserves)	-	-	-
Sales / Turnover	-	-	-
Profit / (Loss) after tax	-	-	-
Earnings per share (Basic)	-	-	-
Net Asset Value	10.00	10.00	10.00

The face value of each equity share is Rs. 10.00.

5. Raghu Rama Renewable Energy (Gujarat) Limited

Raghu Rama Renewable Energy (Gujarat) Limited was incorporated on January 02, 2007 as a public limited company. The registered office of Raghu Rama Renewable Energy (Gujarat) Limited is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033. Raghu Rama Renewable Energy (Gujarat) Limited was incorporated with the main object of generating, harnessing, developing, accumulating, distributing and supplying electricity by setting up power plants, to undertake the business of consultants and contractors in setting up plants for the production of electrical energy, and to carry on the business of supply of electricity. Currently, Raghu Rama Renewable Energy (Gujarat) Limited does not undertake any activity.

Shareholding pattern as on March 31, 2010

Shareholders	No. of equity shares	Shareholding (%)
K Raghu Ramakrishna Raju	20,000	33.11
K. Rama Devi	20,000	33.11
K. Indira Priyadarshini	20,000	33.11
Individual shareholders numbering 4 each holding less than 2% of the Company	400	0.64
Total	60,400	100%

Directors as on March 31, 2010

1. K. Indira Priyadarshini
2. K. Rama Devi
3. D. Madhusudhana Reddy

Raghu Rama Renewable Energy (Gujarat) Limited is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding- up and does not have a negative net worth.

Financial performance

(Rs. million except per share data)

	March 31, 2009	March 31, 2008	March 31, 2007
Equity capital ⁽¹⁾	0.60	0.60	N.A.
Reserves and surplus (excluding revaluation reserves)	-	-	N.A.
Sales / Turnover	-	-	N.A.
Profit / (Loss) after tax	-	-	N.A.
Earnings per share (Basic)	-	-	N.A.
Net Asset Value	9.74	9.74	N.A.

The face value of each equity share is Rs. 10.00.

6. Arkay Energy (Utkal) Limited

Arkay Energy (Utkal) Limited was incorporated on December 01, 2004 as a public limited company. The registered office of Arkay Energy (Utkal) Limited is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033. Arkay Energy (Utkal) Limited was incorporated with the main object of generating, harnessing, developing, accumulating, distributing and supplying electricity by setting up power plants, to construct, establish, operate, manage all works necessary for the generation, accumulation, distribution, and supply of electricity, and to carry on the business of supply of electricity. Currently, Arkay Energy (Utkal) Limited does not undertake any activity.

Shareholding pattern as on March 31, 2010

Shareholders	No. of equity shares	Shareholding (%)
K Raghu Ramakrishna Raju	20,000	29.41
K. Rama Devi	20,000	29.41
D. Madhusudhana Reddy	20,000	29.41
S. Srinivasulu	2,000	2.94
B.V.S. Prasad	2,000	2.94
V. Perraju	2,000	2.94
M.V. Basivi Reddy	2,000	2.94
Total	68,000	100%

Directors as on March 31, 2010

1. K. Indira Priyadarshini
2. B.V.S. Prasad
3. V. Perraju

Arkay Energy (Utkal) Limited is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding- up and does not have a negative net worth.

Financial performance

(Rs. million except per share data)

	March 31, 2009	March 31, 2008	March 31, 2007
Equity capital ⁽¹⁾	0.68	0.68	0.68
Reserves and surplus (excluding revaluation reserves)	-	-	-
Sales / Turnover	-	-	-
Profit / (Loss) after tax	-	-	-
Earnings per share (Basic)	-	-	-
Net Asset Value	9.56	9.56	9.41

The face value of each equity share is Rs. 10.00.

7. Ind-Barath Power (Cuddalore) Limited

Ind-Barath Power (Cuddalore) Limited was incorporated on April 11, 2008 as a public limited company. The registered office of Ind-Barath Power (Cuddalore) Limited is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033. Ind-Barath Power (Cuddalore) Limited was incorporated with the main object of generating, harnessing, developing, accumulating, distributing and supplying electricity by setting up power plants, to construct, establish, operate, manage all works necessary for the generation, accumulation, distribution, and supply of electricity, and to carry on the business of supply of electricity. Currently, Ind-Barath Power (Cuddalore) Limited does not undertake any activity.

Shareholding pattern as on March 31, 2010

Shareholders	No. of equity shares	Shareholding (%)
K. Raghu Ramakrishna Raju	20,000	33.12
K. Rama Devi	20,000	33.12
K. Indira Priyadarshini	20,000	33.12
Individual shareholders numbering 4 each holding less than 2% of the Company	400	0.64
Total	60,400	100%

Directors as on March 31, 2010

1. K. Indira Priyadarshini
2. D. Madhusudhana Reddy
3. B.V.S. Prasad

Ind-Barath Power (Cuddalore) Limited is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding-up and does not have a negative net worth.

Financial performance

(Rs. million except per share data)

	March 31, 2009	March 31, 2008	March 31, 2007
Equity capital ⁽¹⁾	0.60	N.A.	N.A.
Reserves and surplus (excluding revaluation reserves)	-	N.A.	N.A.
Sales / Turnover	-	N.A.	N.A.
Profit / (Loss) after tax	-	N.A.	N.A.
Earnings per share (Basic)	-	N.A.	N.A.
Net Asset Value	7.89	N.A.	N.A.

The face value of each equity share is Rs. 10.00.

8. Ind-Barath Energies (Gujarat) Limited

Ind-Barath Energies (Gujarat) Limited was incorporated on January 03, 2007 as a public limited company. The registered office of Ind-Barath Energies (Gujarat) Limited is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033. Ind-Barath Energies (Gujarat) Limited was incorporated with the main object of generating, harnessing, developing, accumulating, distributing and supplying electricity by setting up power plants, to construct, establish, operate, manage all works necessary for the generation, accumulation, distribution, and supply of electricity, and to carry on the business of supply of electricity. Currently, Ind-Barath Energies (Gujarat) Limited does not undertake any activity.

Shareholding pattern as on March 31, 2010

Shareholders	No. of equity shares	Shareholding (%)
K. Raghu Ramakrishna Raju	20,000	33.12
K. Rama Devi	20,000	33.12
K. Indira Priyadarshini	20,000	33.12
Individual shareholders numbering 4 each holding less than 2% of the Company	400	0.64
Total	60,400	100%

Directors as on March 31, 2010

1. K. Indira Priyadarshini
2. D. Madhusudhana Reddy
3. B.V.S. Prasad

Ind-Barath Energies (Gujarat) Limited is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding-up and does not have a negative net worth.

Financial performance

	<i>(Rs. million except per share data)</i>		
	March 31, 2009	March 31, 2008	March 31, 2007
Equity capital ⁽¹⁾	0.60	0.60	N.A.
Reserves and surplus (excluding revaluation reserves)	-	-	N.A.
Sales / Turnover	-	-	N.A.
Profit / (Loss) after tax	-	-	N.A.
Earnings per share (Basic)	-	-	N.A.
Net Asset Value	9.82	9.82	N.A.

The face value of each equity share is Rs. 10.00.

9. Ind-Barath Bioscience Limited

Ind-Barath Bioscience Limited was incorporated on August 18, 2005 as a public limited company. The registered office of Ind-Barath Bioscience Limited is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500 033. Ind-Barath Bioscience Limited was incorporated with the main object of carrying on the business of manufacturer, producer, and trader of all types of alcohol of various grades, rectified spirit, and to manufacture and deal in other chemicals or other by products involved in the process of manufacture of alcohol, for sale in India and elsewhere, to brew, distill and manufacture, import and export distilled products, and grow and trade in raw materials for producing distilled products, and to plant, grow, improve, experiment, produce, promote, the cultivation of all types of bio raw materials for attaining objectives of the company, to import, export, trade, purchase, produce, manufacture, produce, refine, mine or otherwise acquire, invest in, own, hold, use, lease, mortgage, sell, assign, transfer or otherwise trade with bio-technological products, chemicals, source of materials, mixtures, derivatives and all kinds of products of which the foregoing are ingredients or in the production of the foregoing for their uses including bio-technological products, medicines, pharmaceuticals, fertilizers and industrial chemicals of all kinds for use in hospitals, nursing homes, diagnostic centers, health care centers, research centers, educational institutions, and research and development laboratories, and to carry on the business of brewing, distilling and manufacturing and dealing in either wholesale or retail of beer, aerated waters, mineral waters, port spirits, liquors and food beverages and food

canning, growing vineyards, barley malt and other vegetables and fruits necessary for the manufacturer, sale or export of the above food products. Currently, Ind-Barath Bioscience Limited does not undertake any activity.

Shareholding pattern as on March 31, 2010

Shareholders	No. of equity shares	Shareholding (%)
K. Raghu Ramakrishna Raju	20,000	40
K. Rama Devi	20,000	40
K. Indira Priyadarshini	6,000	12
D. Madhusudhana Reddy	1,000	2
B.V.S. Prasad	1,000	2
V. Perraju	1,000	2
M.V. Basivi Reddy	1,000	2
Total	50,000	100%

Directors as on March 31, 2010

1. K. Rama Devi
2. K. Indira Priyadarshini
3. B.V.S. Prasad

Ind-Barath Bioscience Limited is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding-up and does not have a negative net worth.

Financial performance

	<i>(Rs. million except per share data)</i>		
	March 31, 2009	March 31, 2008	March 31, 2007
Equity capital ⁽¹⁾	0.50	0.50	0.50
Reserves and surplus (excluding revaluation reserves)	-	-	-
Sales / Turnover	-	-	-
Profit / (Loss) after tax	-	-	-
Earnings per share (Basic)	-	-	-
Net Asset Value	7.75	7.75	7.75

The face value of each equity share is Rs. 10.00.

10. Ind-Barath Green Power Limited

Ind-Barath Green Power Limited was incorporated on November 07, 2006 as a public limited company under the Companies Act. The registered office of Ind-Barath Green Power Limited is located at Plot No. 30A, Road No. 1, Film Nagar, Jubilee Hills, Hyderabad 500033, Andhra Pradesh, India. Ind-Barath Green Power Limited was incorporated with the main object of generation, transmission, distribute and supply of electric power and energy and construction of its generation/transmission assets. Currently, Ind-Barath Green Power Limited does not undertake any business activity.

Shareholding pattern as on March 31, 2010

Shareholders	No. of equity shares	Shareholding (%)
K. Raghu Ramakrishna Raju	59,800	99.01
K. Rama Devi	100	0.17
K. Indira Priyadarshini	100	0.17
D. Madhusudhana Reddy	100	0.17
B V S Prasad	100	0.17
V Perraju	100	0.17
M V Basivi Reddy	100	0.17
Total	60,400	100.00

Directors as on March 31, 2010

1. K. Rama Devi
2. K. Indira Priyadarshini
3. BVS Prasad

Ind-Barath Green Power Limited is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding- up and does not have a negative net worth.

Financial performance

(Rs. million except per share data)

	March 31, 2009	March 31, 2008	March 31, 2007
Equity share capital ⁽¹⁾	0.60	0.60	0.60
Reserves (excluding revaluation reserves)	-	-	N.A.
Sales / Turnover	-	-	N.A.
Profit / (Loss) after tax	-	-	N.A.
Earnings per share (Basic)	N.A.	N.A.	N.A.
Net Asset Value	7.96	7.96	7.96.

The face value of each equity share is Rs. 10.00.

DIVIDEND POLICY

Our Company does not have any formal dividend policy. The declaration and payment of dividend are governed by the applicable provisions of the Companies Act and the Articles of Association of our Company and will depend on a number of other factors, including the results of operations, financial condition, capital requirements and surplus, contractual restrictions and other factors considered relevant by the Board.

Our Company has not declared any dividend on the Equity Shares in the last five financial years.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditors' Report

The Board of Directors
Ind-Barath Power Infra Limited

- 1 We have examined the attached restated consolidated financial information of Ind-Barath Power Infra Limited ('the Company') (*formerly known as Ind-Barath Power Infra Private Limited*) and its subsidiaries and associates (Collective referred to as the 'Group'), as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part II of Schedule II to the Companies Act, 1956, as amended ('the Act') and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the 'SEBI Regulations'), and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 30 April 2010 in connection with the proposed issue of equity shares of the Company.
- 2 These information have been extracted by the Management from the consolidated financial statements for the years ended 31 March 2005, 2006, 2007, 2008, 2009 and for the nine months period ended 31 December 2009 which have been audited by us.

We did not audit the financials statements of certain subsidiaries for the years ended 31 March 2007, 2008, 2009 and for the nine months period ended 31 December 2009, which have been audited by other firm of Chartered Accountants namely, M/s.M.Sreenivasulu Reddy & Associates, M/s. Manohar & Venkat and M/s. C Ramachandram & Co., whose reports have been furnished to us and accordingly relied upon by us. The said financial statements reflect the Group's share of total assets of Rs. 1,029.68 million, Rs. 1,594.76 million, Rs. 3,412.91 million and Rs. 4,811.45 million as at 31 March 2007, 2008, 2009 and as at 31 December 2009 respectively and the Group's share of total revenues of Rs. 30.26 million, Rs. 26.15 million, Rs. 57.84 million and Rs. 142.39 million for the years ended 31 March 2007, 2008, 2009 and for the nine months period ended 31 December 2009 respectively. We also did not audit the financial statements of associates for the years ended 31 March 2005, 2006 and 2007, which have been audited by other firm of Chartered Accountants namely, M/s M. Sreenivasulu Reddy & Associates, M/s M. Bhaskara Rao & Co. and M/s N. Sivaprasad Associates whose reports have been furnished to us and accordingly relied upon by us. The said financial statements reflect the Group's share of profits of Rs.15.19 million, Rs.11.32 million and Rs.6.23 million for the years 31 March 2005, 2006 and 2007 respectively.

- 3 In accordance with the requirements of Paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, the Guidance note on 'Reports in Company's Prospectus (Revised) issued by the Institute of Chartered Accountants of India ('ICAI') to the extent applicable, and the terms of our engagement agreed with you, we further report that:
 - (a) The Restated Consolidated Summary Statement of Assets and Liabilities of the Company as at 31 March 2005, 2006, 2007, 2008, 2009 and as at 31 December 2009 examined by us, as set out in Annexure I to this report read with the significant accounting policies and related notes in Annexure V are after making such adjustments and regroupings as in our opinion are appropriate and more fully described in schedules to the Restated Consolidated Summary Statements enclosed as Annexure IV to this report.
 - (b) The Restated Consolidated Summary Statement of Profits or Losses of the Company for the years ended 31 March 2005, 2006, 2007, 2008, 2009 and for the nine months period ended 31 December 2009 are as set out in Annexure II to this report read with the significant accounting policies and related notes in Annexure V are after making such adjustments and regroupings as in our opinion are appropriate and more fully described in Schedules to the Restated Consolidated Summary Statements enclosed as Annexure IV to this report.

- (c) Based on the above, we are of the opinion that the restated consolidated financial information have been made after incorporating:
- i. Adjustments for the changes in accounting policies retrospectively in respective financial years / period to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods.
 - ii. Adjustments for the material amounts in the respective financial years / period to which they relate.
 - iii. And there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.
- (d) We have also examined the following consolidated financial information as set out in Annexures prepared by the Management and approved by the Board of Directors relating to the Company and its subsidiaries and associate for the years ended 31 March 2005, 2006, 2007, 2008, 2009 and for the nine months period ended 31 December, 2009.
- i. Annexure III containing statement of consolidated cash flows, as restated;
 - ii. Annexure VI containing statement of accounting ratios, as restated;
 - iii. Annexure VII containing details of other income, as restated;
 - iv. Annexure VIII containing details of secured loans, as restated;
 - v. Annexure IX containing details of unsecured loans, as restated;
 - vi. Annexure X containing details of investments; as restated;
 - vii. Annexure XI containing statement of sundry debtors; as restated;
 - viii. Annexure XII containing statement of loans and advances; as restated;
 - ix. Annexure XIII containing details of contingent liabilities, as restated;
 - x. Annexure XIV containing capitalisation statement as at 31 December 2009; and
 - xi. Annexure XV containing details of list of related parties, transactions and balances outstanding with them.
 - xii. Annexure XVI containing details of dividend.

In our opinion, the above financial information contained in Annexure I to XVI of this report read along with the significant accounting policies and related notes (Refer Annexure V) and Schedules to the Restated Consolidated Summary Statements (Refer Annexure IV) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Paragraph B, Part II of Schedule II of the Act, the SEBI Regulations and the Guidance note on 'Reports in Company's Prospectus (Revised) issued by the Institute of Chartered Accountants of India ('ICAI') to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you.

Our report is intended solely for use of the Management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Company. Our report should not to be used, referred to or distributed for any other purpose without our written consent.

for B S R & Co.
Chartered Accountants

Zubin Shekary
Partner
Membership No: 48814
Firm Registration Number: 101248W

Place :Hyderabad
Date 31 May, 2010

(In Rs. Million)

ANNEXURE – I						
STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES, AS RESTATED						
PARTICULARS	AS AT 31 MARCH					AS AT
	2005	2006	2007	2008	2009	31 DECEMBER
						2009
1. FIXED ASSETS :						
i) Gross block	5.16	1,981.41	4,954.03	5,066.11	6,483.83	6,673.49
Less : Accumulated depreciation	(0.01)	(12.97)	(353.26)	(611.12)	(881.50)	(1,114.44)
Net block	5.15	1,968.44	4,600.77	4,454.99	5,602.33	5,559.05
ii) Capital work-in-progress	308.74	647.78	616.99	2,981.49	6,223.52	10,798.06
Total	313.89	2,616.22	5,217.76	7,436.48	11,825.85	16,357.11
2. INVESTMENTS	329.45	360.80	246.51	705.05	245.97	2,104.68
3. CURRENT ASSETS, LOANS AND ADVANCES :						
a) Inventories	-	3.59	245.39	371.14	563.44	775.81
b) Unbilled revenue	-	26.01	45.38	52.04	301.98	300.39
c) Sundry debtors	-	74.02	207.82	258.59	270.02	298.15
d) Cash and bank balances	39.37	13.71	322.79	833.50	616.65	2,600.83
e) Current assets, loans and advances	109.67	367.76	288.27	547.61	915.32	771.32
Total	149.04	485.09	1,109.65	2,062.88	2,667.41	4,746.50
4. DEFERRED TAX ASSET	-	-	-	-	-	1.08
5. LIABILITIES AND PROVISIONS :						
a) Secured loans	-	2,047.25	3,565.75	4,278.21	6,629.98	9,637.07
b) Unsecured loans	202.92	91.30	115.38	103.40	769.12	320.39
c) Current liabilities and provisions	130.17	326.07	493.85	587.57	737.38	761.85
Total	333.09	2,464.62	4,174.98	4,969.18	8,136.48	10,719.31
6. DEFERRED TAX LIABILITY, (NET)	-	-	129.72	109.91	154.32	87.45
7. MINORITY INTEREST	40.23	393.64	705.11	581.54	1,209.75	2,275.35
SHARE HOLDERS' FUNDS (1+2+3+4-5-6-7)	419.06	603.85	1,564.11	4,543.78	5,238.68	10,127.26
8. SHARE CAPITAL						
a) Equity share capital	0.10	13.56	200.81	283.02	283.02	358.54
b) Preference share capital	-	74.00	74.00	885.33	1,234.00	4,067.33
9. SHARE APPLICATION MONEY	305.22	50.81	-	-	-	100.00
10. RESERVES AND SURPLUS	113.74	465.48	1,289.30	3,375.43	3,721.66	5,601.39
SHARE HOLDERS' FUNDS (8+9+10)	419.06	603.85	1,564.11	4,543.78	5,238.68	10,127.26
Note:						
The above statement should be read with the significant accounting policies and notes to restated consolidated summary statements as appearing in Annexure IV and V.						

(In Rs. Million)

ANNEXURE – II						
STATEMENT OF CONSOLIDATED PROFITS AND LOSSES, AS RESTATED						
PARTICULARS	FOR THE YEAR ENDED 31 MARCH					FOR THE
	2005	2006	2007	2008	2009	PERIOD ENDED 31 DECEMBER 2009
I. INCOME						
Sale of electricity	-	100.04	1,518.17	1,986.99	2,439.17	2,713.29
Income from sale of certified emission reductions	-	-	-	191.11	11.43	37.34
Other income	4.65	2.58	27.89	61.68	55.64	150.65
TOTAL	4.65	102.62	1,546.06	2,239.78	2,506.24	2,901.28
II. EXPENDITURE						
Cost of electricity generated	-	36.62	604.34	773.79	864.37	995.64
Personnel costs	-	1.45	23.57	76.39	96.64	92.13
Administrative expenses	1.01	3.44	76.51	133.92	192.53	373.71
Selling and distribution expenses	-	2.28	35.76	40.33	82.08	20.52
Finance charges	2.99	18.08	251.17	330.10	351.74	304.59
Depreciation	0.01	12.96	180.13	257.88	271.82	233.40
TOTAL	4.01	74.83	1,171.48	1,612.41	1,859.18	2,019.99
Profit before tax before exceptional items	0.64	27.79	374.58	627.37	647.06	881.29
Exceptional items (Refer 9 (d) of Annexure V)	-	-	11.73	18.58	28.89	332.28
Profit before tax	0.64	27.79	362.85	608.79	618.17	549.01
Less: Provision for tax						
a) Current tax	0.22	0.60	28.68	54.10	124.41	114.42
b) Deferred tax	-	-	107.23	(22.58)	45.36	(68.39)
c) Fringe benefit tax	-	0.66	1.18	1.12	1.25	-
d) MAT credit (entitlement)/ utilisation	-	-	(30.09)	2.76	(87.03)	(103.57)
Profit after tax but before minority interest	0.42	26.53	255.85	573.39	534.18	606.55
Minority interest	-	(0.10)	(73.85)	(80.19)	(280.50)	(165.09)
Equity in profit of associate	15.19	11.32	6.23	-	-	-
Net profit after tax, as restated	15.61	37.75	188.23	493.20	253.68	441.46
Add: Balance in profit and loss account brought forward, as restated	53.29	68.90	106.65	249.80	518.42	749.43
Amount available for appropriation	68.90	106.65	294.88	743.00	772.10	1,190.89
Appropriations:	-	-	-	-	-	-
a) Amount transferred to debenture redemption reserve	-	-	45.08	182.24	22.67	-
b) Dividend on preference shares	-	-	-	33.88	-	-
c) Tax on preference dividend	-	-	-	8.46	-	-
Balance carried forward to balance sheet, as restated	68.90	106.65	249.80	518.42	749.43	1,190.89

Note:

The above statement should be read with the significant accounting policies and notes to restated consolidated summary statements as appearing in Annexure IV and V.

(In Rs. Million)

ANNEXURE – III						
STATEMENT OF CONSOLIDATED CASH FLOWS, AS RESTATED						
PARTICULARS	FOR THE YEAR ENDED 31 MARCH					FOR THE
	2005	2006	2007	2008	2009	PERIOD ENDED 31 DECEMBER 2009
A) Cash flow from operating activities						
Net profit before tax and minority interest, as restated	0.64	27.79	362.85	608.79	618.17	549.01
Adjustments for:						
Depreciation	0.01	12.96	180.13	257.88	271.82	233.40
Interest and finance charges	2.99	18.08	251.17	330.10	351.74	304.59
Interest income	(4.65)	(2.53)	(6.20)	(48.60)	(39.67)	(27.33)
Dividend income	-	-	(0.22)	(9.15)	(1.82)	(0.17)
Unrealised foreign exchange (gain) / loss	-	-	-	(1.98)	(106.86)	64.07
Fixed assets written off	-	-	-	-	-	43.00
Profit on sale of investments	-	-	(13.30)	-	-	-
Provision for doubtful advances	-	-	-	-	-	93.36
Profit/ (Loss) on sale of assets	-	-	(1.23)	0.02	1.50	0.06
Operating profit before changes in working capital	(1.01)	56.30	773.20	1,137.06	1,094.88	1,259.99
Adjustments for:						
(Increase) / decrease in inventories	-	(3.59)	(18.69)	(125.75)	(192.30)	(212.36)
(Increase) / decrease in unbilled revenue	-	(26.01)	(19.37)	(6.65)	(249.95)	1.59
(Increase) / decrease in sundry debtors	-	(74.02)	(33.62)	(50.77)	(11.43)	(28.13)
(Increase) / decrease in loans and advances	14.00	(38.36)	250.71	(98.47)	(60.31)	(171.79)
Increase / (decrease) in current liabilities and provisions	(11.47)	40.82	27.23	129.41	(11.24)	305.07
Cash inflow / (outflow) from operating activities	1.52	(44.86)	979.46	984.83	569.65	1,154.37
Adjustments for:						
Income-tax (paid)/ refund	(0.73)	(0.89)	0.25	(50.15)	(55.41)	(81.91)
Fringe benefit tax paid	-	(0.68)	(0.45)	(1.01)	(1.20)	(1.56)
Net cash flow from operating activities - (A)	0.79	(46.43)	979.26	933.67	513.04	1,070.90
B) Cash flows from investing activities						
Purchase of fixed assets	(239.62)	(2,347.92)	(916.68)	(2,521.53)	(4,836.94)	(4,595.63)
Proceeds from sale of fixed assets	-	-	4.19	-	-	-
Purchase of investments	(127.76)	(10.02)	(0.54)	(459.08)	-	(2,103.73)
Proceeds from sale of investments in chits	-	-	-	0.54	-	-
Inter corporate deposits given	(29.42)	(75.42)	-	(120.07)	-	-
Inter corporate deposits repaid	-	-	124.66	-	120.07	-
Advance towards investments in significant interest entities	(17.97)	(61.62)	-	-	(3.14)	-
Refund of advance towards investments from significant interest entities	-	-	22.51	9.06	-	7.82
Inter corporate deposits given to significant interest entities	(27.02)	(68.63)	(158.23)	(26.81)	(39.69)	(45.87)
Inter corporate deposits recovered from significant interest entities	-	0.14	94.31	1.96	95.38	10.05
Acquisition of minority interest	-	-	-	-	(130.83)	(40.30)
Acquisition of preference shares from minority shareholders	-	-	-	(202.94)	-	-
Loans to directors	(8.22)	(26.19)	-	(16.40)	-	-
Amount realised from directors	-	-	26.74	-	-	-
Proceeds from sale of investments	50.00	190.00	29.12	-	459.08	-
Interest received	4.65	2.53	6.20	48.60	36.06	23.17
Dividend received	-	-	0.22	9.15	1.82	0.17
Payments for acquisition of net assets in subsidiaries and associates	-	-	(108.20)	-	-	-
Net cash flow from investing activities - (B)	(395.36)	(2,397.13)	(875.70)	(3,277.52)	(4,298.19)	(6,744.32)

ANNEXURE – III						
STATEMENT OF CONSOLIDATED CASH FLOWS, AS RESTATED						
PARTICULARS	FOR THE YEAR ENDED 31 MARCH					FOR THE PERIOD ENDED 31 DECEMBER
	2005	2006	2007	2008	2009	2009
C) Cash flows from financing activities						
Proceeds from issue of share capital / share application money	254.25	156.09	155.59	2,551.29	348.68	4,350.00
Refund of share application money received from minority shareholders	-	-	-	(22.70)	-	-
Equity contribution from minority shareholders	40.23	344.26	125.14	1.14	557.53	1,050.68
Repayment of unsecured loans and inter corporate deposits	(16.67)	(111.62)	(47.85)	(40.19)	(44.24)	(528.86)
Proceeds from unsecured loans and inter corporate deposits	158.60	-	46.09	28.22	709.96	85.16
Proceeds from secured loans	-	2,047.25	298.86	982.18	3,002.01	3,169.12
Repayment of secured loans	-	-	(128.79)	(269.72)	(650.24)	(162.03)
Interest paid	(2.99)	(18.08)	(243.52)	(331.44)	(358.07)	(304.96)
Preference dividend paid (including tax thereon)	-	-	-	(42.34)	-	-
Net cash flow from financing activities - (C)	433.42	2,417.90	205.52	2,856.44	3,565.63	7,659.11
Net increase / (decrease) in cash and cash equivalents (A+B+C)	38.85	(25.66)	309.08	512.59	(219.52)	1,985.69
Unrealised (loss)/gain on cash and cash equivalents	-	-	-	(1.88)	2.67	(1.51)
Cash and cash equivalents at the beginning of the year / period	0.52	39.37	13.71	322.79	833.50	616.65
Cash and cash equivalents at the end of the year / period	39.37	13.71	322.79	833.50	616.65	2,600.83
Note:						
1. The cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements as prescribed under by the Companies (Accounting Standards) Rules, 2006.						

(In Rs. Million)

ANNEXURE – IV						
NOTES TO RESTATED CONSOLIDATED SUMMARY STATEMENTS:						
PARTICULARS	FOR THE YEAR ENDED 31 MARCH					FOR THE PERIOD
	2005	2006	2007	2008	2009	ENDED
						31 DECEMBER
						2009
Profit after tax as per audited consolidated profit and loss account	15.61	35.49	193.55	490.96	257.43	431.94
Adjustments on account of:						
1) Prior period items	-	2.26	(7.57)	-	-	10.27
2) Short / excess tax provision adjusted	-	-	-	3.89	(3.89)	-
3) Provision no longer required written back	-	-	3.37	(2.46)	0.20	(1.11)
4) Deferred tax impact on restated adjustments	-	-	(1.12)	0.81	(0.06)	0.36
Net adjusted profit after tax	15.61	37.75	188.23	493.20	253.68	441.46
1) Prior period items						
In the audited financial statements for the years ended 31 March 2006, 31 March 2007 and 31 December 2009 certain items with respect to income-tax and other matters were identified as prior period items. Accordingly, in the preparation of the Restated Summary Statements, the effect of these prior period items has been appropriately adjusted to the results of the respective year / period to which these items pertain to with a corresponding restatement of the respective assets / liabilities.						
2) Provision no longer required written back						
The Company has reversed the excess provision for gratuity and travel expenses during the year ended 31 March 2007, 31 March 2008, 31 March 2009 and 31 December 2009. Accordingly, in the preparation of the Restated Summary Statements, the effect of these items has been appropriately adjusted to the results of the respective year/ period to which these items pertain to with a corresponding restatement of the respective assets/ liabilities.						
3) Short/ excess tax provision adjusted						
The Company has reversed the excess tax provision in the year ended 31 March 2009 which was pertaining to the year ended 31 March 2008. Accordingly, in the preparation of the Restated Summary Statements, the effect of these items has been appropriately adjusted to the results of the respective year/ period to which these items pertain to with a corresponding restatement of the respective assets/ liabilities.						
4) Deferred tax impact on above restatement adjustments						
Represents the tax impact on above restatement adjustments.						

ANNEXURE V

SIGNIFICANT ACCOUNTING POLICIES AND RELATED NOTES TO THE RESTATED CONSOLIDATED SUMMARY STATEMENTS OF ASSETS AND LIABILITIES, PROFITS AND LOSSES AND CASH FLOWS, AS RESTATED UNDER INDIAN GAAP, FOR IND-BARATH POWER INFRA LIMITED

1. Significant accounting policies

(a) Basis of preparation

The restated consolidated summary statement of assets and liabilities of Ind-Barath Power Infra Limited ('IBPIL' or 'the Company'), the parent company and all of its subsidiaries (collectively referred to as "Group") as at 31 December 2009, 31 March 2009, 31 March 2008, 31 March 2007, 31 March 2006 and 31 March 2005 and the related restated consolidated summary statement of profits and losses and cash flows for years/period ended on that date (hereinafter collectively referred to as "Restated Consolidated Summary Statements") relate to Ind-Barath Power Infra Limited ("the Company") and have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with its proposed Initial Public Offering.

These Restated Consolidated Summary Statements have been prepared to comply in all material respects with the requirements of Schedule II to the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI Regulations").

The restated consolidated summary statements have been prepared based on the consolidated financial statements of the Group prepared and presented in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises accounting standards notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956, other pronouncements of Institute of Chartered Accountants of India, the provisions of Companies Act, 1956, to the extent applicable.

(b) Use of estimates

The preparation of the restated consolidated summary statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the restated consolidated summary statement and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

(c) Principles of consolidation

The consolidated financial statements include the financial statements of Ind-Barath Power Infra Limited (*formerly Ind-Barath Power Infra Private Limited*) ("IBPIL" or "the Company"), the parent company and all of its subsidiaries (collectively referred to as "the Group" or "Ind-Barath Group"), in which IBPIL has more than one-half of the voting power of an enterprise or where it controls the composition of the board of directors.

The restated consolidated summary statements have been prepared on the following basis:

- The financial statements of the parent company and the subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.
- The Group accounts for investments by the equity method of accounting where it is able to exercise significant influence over the operating and financial policies of the investee. Inter company profits and losses have been proportionately eliminated until realised by the investor or investee.
- The excess / deficit of cost to the parent company of its investment in the subsidiaries and associates over its portion of equity at the respective dates on which investment in such entities were made is recognised in the financial statements as goodwill / capital reserve. The parent company's portion of equity in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of such entities as on the date of investment and if not available, the financial statements for the immediately preceding period are adjusted for the effects of significant transactions, up to the date of investment. Goodwill / capital reserve arising on the acquisition of an associate by the parent company is included in the carrying amount of investment in the associate but is disclosed separately.
- Profit / loss arising on dilution of equity interest in a subsidiary / associate without a corresponding disposal of shares by the Company has been recognised as part of capital reserve arising on consolidation.
- The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.
- Minority interest in the net assets of consolidated subsidiaries consists of: (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and (b) the minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.
- The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(d) Fixed assets and depreciation

Fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation. The cost of fixed assets includes taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

Advances paid towards the acquisition of the fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under capital work-in-progress.

Fixed assets includes amounts paid by the Group for erecting transmission lines and related equipment, from its premises to the grid located at the respective State Electricity Board's ("SEB") sub-station, which are the property of SEB. Although the ownership of the assets is not with the Group, the same has been disclosed as "Transmission System" since they are capital expenditure not represented by assets.

Intangible assets consist of mining rights for coal. These mining rights are capitalized in the books once the right to use the mines is transferred to the Group. These mining rights are amortised over expected period of benefit derived from such mines.

Depreciation on fixed assets, except for "Transmission System", is provided using the straight line value method at the rates specified in Schedule XIV to the Companies Act, 1956. Transmission system is amortized over a period of five years. Depreciation is calculated on a pro-rata basis from the date of installation till the assets are sold or disposed.

Individual assets costing less than Rs 5,000 are depreciated in full in the year of purchase.

(e) Investments

Long-term investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and market value. The comparison of cost and market value is done separately in respect of each category of investment.

(f) Inventories

Inventories of the Group comprise of raw materials and stores and spares to be used in the conduct of operations and are valued at cost. Cost of inventories comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Stores and spares are recognized as an expense as and when consumed.

(g) Employee benefits

Contribution payable to the recognized provident fund, which is a defined contribution scheme is made on a monthly basis at a predetermined rates to the appropriate authorities and are charged to the profit and loss account.

Provision for gratuity and leave encashment cost, which are defined benefit schemes, are charged to the profit and loss account based on actuarial valuations at the balance sheet date, carried out by an independent actuaries.

(h) Foreign currency transactions, balances and translation of financial statements of foreign subsidiaries

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions or at an average monthly rate that approximates the actual rate at the date of transaction. Exchange differences arising on foreign currency transactions settled during the year are recognized in the profit and loss account.

Monetary current assets and current liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resultant exchange differences are recognized in the profit and loss account.

In accordance with AS-11 (Revised 2003) "The Effect of Changes in Foreign Exchange rates", the financial statements of the non-integral foreign operations are translated into Indian rupees as follows:

- All assets and liabilities, both monetary and non-monetary, are translated using the closing rate.
- Revenue items are translated at the respective monthly average rates.
- The resulting net exchange difference is credited or debited to a foreign currency translation reserve. However, an exchange difference arising out of intra-group monetary item, whether short term or long term is recognised in the Profit and Loss Account.
- Contingent liabilities are translated at the closing rate.

(i) Revenue recognition

Revenue from the sale of electricity is recognized on the basis of billings to consumers/ electricity boards, in accordance with the terms and conditions of power supply agreement ("PSA") entered into by the Group with each customer/ electricity board for supply of power generated (measured in Kwh) at an agreed rate per unit of electricity sold.

The asset, "Unbilled revenue", represents revenue from supply of electricity, recognized in excess of amounts billed, based on the terms and conditions mentioned in the PSA. These amounts represents, electricity supplied for the period between the last meter reading date, in a financial period and the last day of the financial period.

Income from sale of certified emission reductions is recognized upon execution of a firm contract for sale of eligible emission credits. Dividend income is recognized when the unconditional right to receive the income is established.

Income from interest on deposits and interest bearing securities is recognized on the time proportionate method based on the underlying contracted interest rates.

(j) Income-tax expense

Income tax expense comprises current tax and deferred tax charge or credit.

(k) Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the entities in the Group.

(l) Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised. Deferred tax consequences of timing differences which originate during the tax holiday period and reverse after the tax holiday period are recognised in the year in which the timing differences originate.

The break-up of the major components of the deferred tax assets and liabilities as at the balance sheet date have been arrived at after setting off deferred tax assets and liabilities where the group has a legally enforceable right to set-off assets against liabilities, and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

(m) Minimum Alternate Tax (MAT) Credit entitlement

MAT credit entitlement represents amounts paid in a year under Section 115 JA/JB of the Income Tax Act 1961 ('IT Act'), in excess of the tax payable, computed on the basis of normal provisions of the IT Act. Such excess amount can be carried forward for set off against future tax payments for ten succeeding years in accordance with the relevant provisions of the IT Act. Since such credit represents a resource controlled by the Group as a result of past events and there is evidence as at the reporting date that the Group will pay normal income tax during the specified period, when such credit would be adjusted, the same has been disclosed as "MAT Credit entitlement", under "Loans and Advances" in balance sheet with a corresponding credit to the profit and loss account, as a separate line item.

Such assets are reviewed as at each balance sheet date and written down to reflect the amount that will not be available as a credit to be set off in future, based on the applicable taxation law then in force.

(n) Borrowing cost

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time i.e., more than 12 months to get ready for its intended use. All other borrowing costs are charged to revenue.

(o) Earnings per share

The basic and diluted earnings per share ("EPS") is computed by dividing the net profit after tax attributable to equity shareholders, for the period by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

Dilutive preference shares, which are convertible based on future contingencies have been considered for diluted EPS computation based on an if converted basis as of the balance sheet as if the reporting date is the date when contingency is resolved. Effect of dilution of issued and outstanding warrants have been considered based on the treasury stock method.

(p) Provisions and contingent liabilities

The Group creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

(q) *Impairment of assets*

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

2. **Note on acquisition of subsidiaries**

Reserves and Surplus in the balance sheet includes capital reserve arising on consolidation amounting to Rs. 432.13 million as of 31 December 2009. The details of movement of capital reserve on consolidation during the 5 years ended 31 March 2009 and during the nine months period ended are as follows:

Particulars	Amount (Rs. In million)	Note reference
Opening balance as of 1 April 2004	16.19	
Less: Loss on dilution of equity stake in IBEL	(3.85)	Note 1
Closing balance as of 31 March 2005	12.34	
Less: Loss on dilution of equity stake in AERL	(9.05)	Note 2
Closing balance as of 31 March 2006	3.29	
Less: Loss on dilution of equity stake in AERL	(7.23)	Note 3
Add: Capital reserve arising on acquisition of new subsidiaries	268.30	Note 4
Closing balance as of 31 March 2007	264.36	
Less: Excess of cost of preference share purchased by the Company over face value	(20.73)	Note 5
Closing balance as of 31 March 2008	243.63	
Add: Capital reserve arising on acquisition of incremental equity interest in AERL and other subsidiaries	79.00	Note 6
Closing balance as of 31 March 2009	322.63	
Add: Capital reserve arising on acquisition of incremental equity interest in AERL and other subsidiaries	109.50	Note 7
Closing balance as of 31 December 2009	432.13	

Note 1: Dilution of equity in Ind-Barath Energies Limited (IBEL)

The Group, in 2001, acquired 37.33% equity interest in IBEL for a consideration of Rs.17.37 million. Subsequently, pursuant to fresh equity infusion by others during the years 2001 to 2004 the Group's share in the IBEL came down to 29.69%. During the year ended 31 March 2005, minority shareholders have infused equity amounting to Rs.3.85 million in IBEL resulting in decrease in equity stake of the Group by 1.83% to 27.86%. Loss amounting to Rs. 3.85 million arising on dilution of equity (without any corresponding sale of shares by Group) has been recognised by adjusting the carrying value of the investment with a corresponding adjustment to Capital Reserve on Consolidation, disclosed under Reserves and Surplus.

Note 2: Dilution of equity in Arkay Energy (Rameswaram) Limited (AERL)

The Group, in 2005, had promoted AERL with an investment of Rs.175.00 million for a 99.61% equity interest. During the year ended 31 March 2006, the Group and the minority shareholders have infused further capital resulting in a decrease in equity interest of the Group in AERL by 35.36% to 64.25%. This decrease in the equity stake of the Group has resulted in a loss of Rs. 9.05 million representing the difference between the acquisition price and the corresponding net asset of AERL, which, pending the disposal of shares by IBPIL has been recognised in the consolidated financial statements as an adjustment to capital reserve on consolidation disclosed under Reserves and Surplus.

Note 3: Dilution of equity interest in AERL

The Group, in 2005, had promoted AERL with an investment of Rs.175.00 million for a 99.61% equity interest. Subsequently, pursuant to fresh equity infusion by the Company and others during the years 2005 to 2006 the Group's share in the AERL came down to 64.25%. During the year ended 31 March 2007, the Group and the minority shareholders have infused further capital in AERL resulting in a decrease in equity interest of the Group in AERL by 4.08% to 60.17%. This dilution in the equity stake of the Group resulted in a loss of Rs. 7.23 million representing the difference between the acquisition price and the corresponding net asset of AERL, which, pending disposal of the shares by IBPIL, has been recognised in the consolidated financial statements as an adjustment to capital reserve on consolidation disclosed under Reserves and Surplus.

Note 4: Capital reserve arising out of acquisition of new subsidiaries

On 18 September 2006, the Board of Directors of the Company entered into a "Share Transfer Agreement" with certain specified shareholders in Ind-Barath Energies Limited, Ind-Barath Energies (Thoothukkudi) Limited, Raghurama Renewable Energy Limited, Ind-Barath Energies (Maharashtra) Limited and Dharmashala Hydro Power Limited, the Company's subsidiaries, for the transfer of their shareholding in the respective companies to the Company, for a consideration of Rs. 353.12 million settled in the forms of transfer of

unquoted investments held by the Company amounting to Rs. 23.47 million and issue of equity shares of the Company for the balance amount of Rs. 329.66 million.

As part of the consideration, 3,140,774 (pre bonus - 1,231,676) equity shares of the Company have been issued at a premium of Rs. 94.12 (pre bonus – Rs. 240) - per share and 5,542,810 (pre bonus 2,173,651) equity shares of the Company have been issued at par. The remaining fraction of Rs 100 was paid in cash.

Pursuant to the above acquisition and re - organisation transactions, the Company acquired the following companies effective 30 September 2006. The financial statements of these acquired entities have been consolidated with the Company's operations with effect from that acquisition date.

The considerations for the acquisition of above subsidiaries during the year ended 31 March 2007 is summarized below:

Net asset acquired in	Amount (Rs in million)
Ind-Barath Energies Limited (IBEL) (Note 4A)	341.00
Raghu Rama Renewable Energy Limited (RRREL) (Note 4B)	241.16
Ind-Barath Energies (Thoothukkudi) Limited (IBETL) (Note 4C)	160.67
Ind-Barath Energies (Maharashtra) Limited (IBEML) (Note 4D)	68.00
Dharmashala Hydro Power Energy Limited (DHPL) (Note 4E)	69.50
Total net assets acquired	880.33
Discharged by way of:	
Adjustment of IBPIL's existing investment in these subsidiaries	106.18
Payment towards additional investments in cash	152.72
Surrender of existing investments in other promoter Group companies held by IBPIL	23.47
Issue of 3,405,327 equity shares by the Company	329.66
Capital Reserve arising from acquisitions	268.30

The details of assets acquired in each of the companies are stated below:

4A. Ind-Barath Energies Limited (IBEL)

On 30 September 2006, the Group acquired 69.56% of equity interest in the share capital of IBEL and thereby acquired control over IBEL. The acquired assets and liabilities on the date of acquisition are as follows:

Particulars	Amount (Rs in million)
Fixed assets, net	177.79
Investments	0.95
Current assets, loans and advances	327.00
Total assets	505.74
Less: Current liabilities and provisions	(13.86)
Less: Share application money pending allotment	(2.00)
Less: Loan funds	(134.84)
Less: Deferred tax liability, net	(5.01)
Less: Minority interest	(9.03)
Net assets acquired	341.00

4B. Raghu Rama Renewable Energy Limited (RRREL)

On 30 September 2006, the Group acquired 99.72% of equity interest in the share capital of RRREL and thereby acquired control over RRREL. The acquired assets and liabilities on the date of acquisition are as follows:

Particulars	Amount (Rs in million)
Fixed assets, net	549.64
Current assets, loans and advances	140.42
Total assets	690.06
Less: Current liabilities and provisions	(23.09)
Less: Share application money pending allotment	(7.42)
Less: Loan funds	(395.29)
Less: Deferred tax liability, net	(12.11)
Less: Minority interest	(10.99)
Net assets acquired	241.16

4C. Ind-Barath Energies (Thoothukkudi) Limited (IBETL)

On 30 September 2006, the Group acquired 72.29% of equity interest in the share capital of IBETL and thereby acquired control over IBETL. The acquired assets and liabilities on the date of acquisition are as follows:

Particulars	Amount (Rs in million)
Fixed assets net	737.55
Current assets, loans and advances	127.54
Total assets	865.09
Less: Current liabilities and provisions	(63.22)
Less: Share application money pending allotment	(0.95)
Less: Loan funds	(574.49)
Less: Deferred tax liability, net	(4.16)
Less: Minority interest	(61.60)
Net assets acquired	160.67

4D. Ind-Barath Energies (Maharashtra) Limited (IBEML)

On 30 September 2006, the Group acquired 76.84% of equity interest in the share capital of IBEML and thereby acquired control over IBEML. The acquired assets and liabilities on the date of acquisition are as follows:

Particulars	Amount (Rs in million)
Fixed assets, net	93.71
Current assets, loans and advances	101.17
Total assets	194.88
Less: Current liabilities and provisions	(11.48)
Less: Share application money pending allotment	(4.90)
Less: Loan funds	(90.00)
Less: Minority interest	(20.50)
Net assets acquired	68.00

4E. Dharmashala Hydro Power Limited (DHPL)

On 30 September 2006, the Group acquired 87.44% of equity interest in the share capital of DHPL and thereby acquired control over DHPL. The acquired assets and liabilities on the date of acquisition are as follows:

Particulars	Amount (Rs in million)
Fixed assets, net	280.61
Current assets, loans and advances	38.39
Total assets	319.00
Less: Current liabilities and provisions	(39.65)
Less: Share application money pending allotment	(16.38)
Less: Loan funds	(179.63)
Less: Deferred tax liability, net	(3.47)
Less: Minority interest	(10.37)
Net assets acquired	69.50

Note 5: Excess of cost of preference share purchased by the Company over face value

The Group, during the year ended 31 March 2008 acquired certain preference shares in AERL, from minority shareholders for a consideration of Rs. 361.85 million. The difference amounting to Rs. 20.73 million between the acquisition price and the face value amounting to Rs. 341.14 million has been adjusted against Capital Reserve on Consolidation in the consolidated financial statements disclosed under Reserves and Surplus.

Note 6: Capital reserve arising on acquisition of incremental equity interest in AERL and other subsidiaries

The Group in 2005 had promoted AERL with an investment of Rs.175.00 million for a 99.61% equity interest. Subsequently, pursuant to fresh equity infusion by the Group and others during the years 2006 to 2008 the Group's share in the AERL came down to 60.17%. During the year ended 31 March 2009, the Group acquired minority's equity interest for a consideration of Rs. 540.83 million resulting in an increase in equity interest of the Group in AERL by 12.18% to 72.35%. This step up acquisition by the Group resulted in a capital reserve of Rs. 78.99 million representing the difference between the acquisition price and the corresponding net asset of AERL, which was recognised in the consolidated financial statements as Capital Reserve on Consolidation disclosed under Reserves and Surplus. Capital reserve on equity transactions in other subsidiaries amounted to Rs.0.01 million during the year.

Note 7: Capital reserve arising on acquisition/ dilution of incremental equity interest in AERL and other subsidiaries**Arkay Energies (Rameswarm) Limited (AERL)**

The Group in 2005 had promoted AERL with an investment of Rs.175.00 million for a 99.61% equity interest. Subsequently, pursuant to fresh equity infusion by the Group and others during the years 2006 to 2009 the Group's share in the AERL came down to 72.35%. During the period ended 31 December 2009, the Group has purchased the minority share capital amounting to Rs.40.30 million at face value in AERL resulting in an increase in equity interest of the Group in AERL by 5.91% to 78.26%. This step up acquisition by the Group resulted in a capital reserve of Rs. 95.15 million representing the difference between the acquisition price and the corresponding net asset of AERL, which was recognised in the consolidated financial statements as Capital Reserve on Consolidation under Reserves and Surplus.

Ind-Barath Energy (Utkal) Limited (IBEUL)

The Group in 2009 had promoted IBEUL with an investment of Rs.140.70 million for an equity interest of 99.57%. During the period ended 31 December 2009, the Group and PTC Financial Services Limited have infused further equity amounting to Rs.3911.70 million and Rs. 1,050.00 million respectively in IBEUL resulting in decrease in equity interest of the Group by 24.57% to 75.00%. This equity transaction at IBEUL resulted in a profit of Rs. 1.24 million arising on dilution of equity interest, which pending disposal of shares has been recognised in the consolidated financial statements as a Capital Reserve on Consolidation disclosed under Reserves and Surplus.

Ind-Barath Power Gencom Limited (IBPGL)

The Group in 2007 had promoted IBPGL with an investment of Rs.64.90 million for an equity interest of 97.93%. Subsequently, pursuant to fresh equity infusion by the Group during the years 2007 to 2009 the Group's share in the IBPGL has increased to 99.88%. During the period ended 31 December 2009, the Group and PTC Financial Services Limited have infused equity amounting to Rs. 485.42 million and Rs. 556.30 million respectively in IBPGL resulting in decrease in equity stake of the Group by 25.94% to 73.94%. This equity transaction at IBPGL resulted in a profit of Rs. 13.11 million arising on dilution of equity interest, which pending disposal of shares has been recognised in the consolidated financial statements as a Capital reserve on consolidation under Reserves and Surplus.

3. Issue of warrants to shareholders

(a) Pursuant to the Investment Agreement between the Company and its members dated 21 October 2009, the Company agreed to issue, allot and deliver warrants to Sriba Seabase Private Limited (Sriba) against a consideration of Rs. 500 million, of which an amount of Rs. 100 million, was to be paid in advance.

Subsequently, pursuant to the approval of shareholders on 14 October 2009, on 9 November 2009, the Board of Directors of the Company proposed the issue of warrants to Sriba, which shall be convertible into 2,265,641 (pre bonus 888,487) equity shares therein. Consequently Sriba paid the initial subscription amount of Rs. 100 million, which has been disclosed as share application money, pending allotment, in the financial statements as of 31 December 2009.

Further, the terms of the above warrants proposed to be issued were amended vide the resolutions of the Board of Directors dated 6 May 2010 and 15 May 2010 and of the shareholders as on 10 May 2010. The Company accordingly in May 2010 issued 100,000 convertible warrants to Sriba, which entitles them to convert these warrants into a minimum of 2,265,641 (pre bonus 888,487) and a maximum of 2,728,076 (pre bonus 1,069,834) equity shares for a total consideration of Rs. 500.00 million. Warrants once allotted would be required to be converted into equity shares within the 'warrant conversion period' valid until earlier of (a) filing of the Prospectus, and (b) 29 November 2010.

(b) Pursuant to the resolutions of the Board of Directors dated 6 May 2010 and 15 May 2010 and of the shareholders as on 10 May 2010, the Company issued 100,000 convertible warrants to K. Raghu, which entitles him to convert these warrants into a minimum of 1,551,093 (pre bonus 608,272) equity shares or a maximum of 3,816,735 (pre bonus 1,496,759) equity shares, for a consideration of Rs. 324.31 million. Warrants once allotted would be required to be converted into equity shares within the 'warrant conversion period' valid until earlier of (a) filing of the Prospectus, and (b) 29 November 2010.

The number of equity shares to be issued against conversion of both these warrants will be appropriately adjusted for any stock splits, consolidation, bonus or other corporate actions.

4. Stock option Plan

Pursuant to the resolution of the Compensation Committee dated May 15, 2010 and of the shareholders on 10 May 2010, the Company approved the IBPIL Employee Stock Option Plan-2010 ("the ESOP Plan") under which 1,245,122 (pre bonus 488,283) stock options were set aside, each convertible into 1 equity share each, from time to time, being not more than 1.02% of the fully diluted paid-up equity share capital of the Company at any point in time. Under the ESOP Plan options can be granted to only such persons who are in permanent employment of the Company and certain consolidated subsidiaries, whether working in or outside of India and the Directors of the Company, whether whole time or otherwise, other than the promoters of the Company or a Director, who by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed equity shares of the Company. The vesting period under the ESOP Plan would range from one year to four years and will be subject to certain performance conditions, which

may be specified under the terms of each of the grants. The exercise period for the options will be within a period of 3 years from the date of vesting. Under the ESOP Plan, the Compensation Committee of the Board ('the Committee') or the Board of Directors shall administer the ESOP Plan. The Committee shall determine the employees eligible for receiving the options, the number of options to be granted, the exercise price, the vesting period and the exercise period.

There are no outstanding stock options as of 31 December 2009.

5. Share investments in the Company

Series I Investment in June and July 2007

During the year ended 31 March 2008, the Company entered into 2 investment agreements i.e. one with CVC I Series – I Investors (as defined below); and the other with UTI Venture Funds Management Company Private Limited (hereinafter collectively referred to as "the Series I Investors"), for the subscription and allotment of equity shares (face value of Rs. 10 each) and the Class A preference shares (face value Rs. 1,000 each). The below mentioned table depicts the total equity shares and preference shares that have been issued to the investors, under these agreements:

(In Rs. million)

Investors	Equity capital		Preference capital	
	Number of shares	Amount	Number of shares	Amount
CVCIGP II Client Rosehill Limited,				
CVCIGP II Employee Rosehill Limited,				
Gautam Nayak and Keshav Bhujle (acting as trustees of the following trusts: <i>CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust)</i>	18,072,732 (pre bonus 7,087,346)	1,500.00	1,000,000	1,000.00
Jointly referred to as CVC I Series – I Investors				
UTI Venture Funds Management Company Private Limited - <i>A/C Ascent India Fund (UTI)</i>	2,891,705 (pre bonus 1,134,002)	240.00	1,600,000	160.00

Conversion of Class A preference shares:

- As per the terms of the agreement, these preference shares shall convert into equity shares of the Company immediately prior to the Company making an IPO, or on exercise of the warrants as mentioned above.
- Both the agreements mention that, if at the time of conversion, the Company achieves the financial closure of the approved power projects with a capacity of between 0 MW and 130 MW, then the preference shares held by the respective investors shall convert into equity shares as follows:

Capacity (MW)	Number of equity shares	
	CVC Series I Investors	UTI
0	6,311,112 (pre bonus 2,474,946)	1,009,752 (pre bonus 395,981)
130	4,190,780 (pre bonus 1,643,443)	670,525 (pre bonus 262,951)

Further, the agreements also mention that the Company shall issue certain warrants to the respective Series I Investors, which shall represent their rights to subscribe for additional equity shares either in the Company or in its subsidiaries. These warrants are exercisable at the option of the Investors, if the price per equity share at which the Company proposes to make an IPO is less than the price which provides the Investors with an Internal Rate of Return (IRR) of less than 25% on their aggregate investments (i.e., both equity and preference share capital).

On the exercise of such warrants, the Series I Investors will be eligible to receive such number of additional equity shares, which would provide the Series I Investors with the required IRR of 25% per annum (on their aggregate investment) based on the price at which the IPO is made. However, the number of shares to be issued to both the investors is subject to a maximum number of shares depending on a specified percentage of post issue total number of issued shares.

In the case of CVC Series I Investors such additional equity shares to be issued on exercise of warrants shall be restricted to 10% of the post issue diluted share capital and in the case of UTI such additional equity shares to be issued on exercise of warrants shall be restricted to 1.5% of the post issue diluted share capital.

The above conversion terms for both the CVCI Series I Investment and UTI Investment were amended vide the Investment agreement dated 21 October 2009 (Series II Investment Agreement) and the warrants issued to the investors also lapsed as per the terms of the Series II Investment Agreement.

Subsequently, - on 31 May 2010, the Company signed an amendment to the investment agreement dated 21 October 2009. Pursuant to such amendment agreement, 34,315 Class A Preference Shares were converted into 4,861,304 (pre bonus 1,906,394) equity shares. The balance shares were to be converted based on the final IPO valuation within an agreed range.

The effect of the above amendment agreement, which alters the conversion requirements post the balance sheet date has not been considered for the purpose of computing diluted earnings per share.

Series II Investments in October 2009

During the nine month period ended 31 December 2009, the Company entered into another investment agreement for further subscription and allotment of equity shares (face value of Rs 10 each) and the Class B preference shares (face value of Rs. 100 each). The below mentioned table depicts the total equity shares and preference shares that have been issued to the below mentioned investors, under these agreements:

Investor	Equity capital		Preference capital	
	Number of shares	Amount (In Rs. million)	Number of shares	Amount (In Rs. million)
Sequoia Capital India Growth Investment Holdings II (Sequoia)	8,382,875 (pre bonus 3,287,402)	616.65	12,333,333	1,233.33
Bessemer Venture Partners Trust (Bessemer)	5,210,976 (pre bonus 2,043,520)	383.32	7,666,667	766.67
CVCIGP II Client Ebene Limited, CVCIGP II Employee Ebene Limited and <i>Gautam Nayak and Keshav Bhujle (as trustees of the following trusts:</i> <i>CVCIGP II Vivek Chhachhi Trust,</i> <i>CVCIGP II Ajay Tandon Trust,</i> <i>CVCIGP II Vinayak Shenvi Trust,</i> <i>CVCIGP II P.R. Srinivasan Trust,</i> <i>CVCIGP II Siva Shankar Trust)</i>	5,664,103 (pre bonus 2,221,217)	416.66	8,333,333	833.33
Total	19,257,954 (pre bonus 7,552,139)	1,416.63	28,333,333	2,833.33

Conversion of Class B preference shares:

- As per the terms of the agreements these preference shares shall convert into equity shares of the Company immediately prior to the Company making an IPO, or on occurrence of other events mentioned in the agreement, whichever happens earlier;
- These preference shares shall convert into such number of equity shares as will provide the above mentioned Investors, an amount equal to higher of IRR 18% per annum or 1.67 times the aggregate investments made by them (i.e., aggregate of equity and preference capital investment).

Subsequent to the balance sheet on 31 May 2010, the Company signed an amendment to the above original investment agreement thereby fixing the minimum and maximum number of shares to be issued depending on the final IPO valuation.

The effect of the above amendment agreement, which alters the conversion requirements post the balance sheet date has not been considered for the purpose of computing diluted earnings per share.

6. Agreement with PTC India Financial Services Limited (PTC)

Investment by PTC in IBPGL

On August 23, 2008, IBPGL entered into a share subscription cum shareholders agreement with PTC India Financial Services Limited ('PTC') and IBPIL, wherein PTC subscribed 26% of the issued and paid up equity share capital of the IBPGL at par, for a consideration of Rs. 556.30 million. The agreement mentions that PTC shall be entitled to a compounded annual return of 23.75% net of taxes on their investment amount, which has been guaranteed by the Company.

PTC has a 'put option' to sell the equity shares in IBPGL to IBEUL (a consolidated subsidiary of the Company), which can be exercised within a period of 3 years from the date of allotment of equity shares of IBPGL. Further, the Company has a 'call option' to acquire the

IBPGL equity shares from PTC within a period of 30 days after the expiry of 3 years from the date of allotment of the equity shares of IBPGL to PTC. Additionally, the parties have a first right of refusal upon the other party seeking to sell, transfer, assign or dispose of any or all of the equity shares owned by it in IBPGL and PTC shall have a right to tag along, if IBPIL at any point in time proposes to sell the shares of IBPGL to a third party such that its shareholding falls below 51%.

Investment by PTC in IBEUL

On August 11, 2009 IBEUL entered into a share subscription cum shareholders agreement with PTC and IBPIL, wherein PTC subscribed 13.19% of the issued and paid up equity share capital of the IBEUL at par, for a consideration of Rs.1,050 million.

PTC has a 'put option' to sell the equity shares in IBEUL to the promoters, which can be exercised within a period of 5 years from the date of allotment of equity shares of IBEUL. Further, the promoters have a 'call option' to acquire the IBEUL equity shares from PTC within a period of 30 days after the expiry of 5 years from the date of allotment of the equity shares of IBEUL to PTC. Additionally, the parties have a first right of refusal upon the other party seeking to sell, transfer, assign or dispose of any or all of the equity shares owned by it in IBEUL and PTC shall have a right to tag along, if IBPIL at any point in time proposes to sell the shares of IBEUL to a third party such that its shareholding falls below 51%.

Further, under the agreement PTC had the option of converting its holding in IBEUL into the shares of IBPIL ('conversion rights'), by dividing the total conversion amount by the conversion price to be determined.

As of 31 December 2009, neither of the parties has exercised their respective options.

Subsequently on 29 April 2010 PTC has communicated to the Company of its intention to waive such conversion rights, subject to the satisfaction of the following conditions:

- the Company should file its draft red herring prospectus within a period of 3 months from the issuance of the letter,
- the Company should not withdraw the proposed initial public offering,
- the Company should not be precluded from bringing its initial public offering within the timeframe allowed by SEBI.

7. Revenue recognition

Ind-Barath Power Gencom Limited (IBPGL)

Ind-Barath Power Gencom Limited during its trial run period, generated and supplied electricity to Tamil Nadu Electricity Board ("TNEB") for an aggregate value of Rs. 127.47 million. Pending payment of the amounts billed, the Company filed a petition before the Tamil Nadu Electricity Regulatory Commission ("TNERC"), Chennai against TNEB alleging that the TNEB had continuously failed in making payments to IBPGL for supply of electricity. In this petition, IBPGL has prayed for relief by directing the TNEB to make immediate payments of the outstanding amounts and an interest at the rate of 18% p.a. from the date of invoice until the date of payment. The TNEB has filed a counter affidavit in this regard before the TNERC and the matter is currently pending with TNERC. Given the uncertainty relating to the fixation of the appropriate tariff rate to be considered for the power supplied and consequent collectability of the amounts, recognition of revenue from supply of electricity to TNEB during this period has been postponed till the uncertainty is resolved.

Arkay Energy (Rameswarm) Limited

Pursuant to an agreement dated 6 April 2009, as amended on 22 October 2009, AERL sells 45.0 MW of power per month to PTC at an average tariff rate of Rs. 5.90 per kWh. The agreement is valid until March 31, 2014, however the current tariff is valid until 31 May 2010, after which it is subject to renegotiation. AERL is permitted to produce and sell an additional 4.5 MW per month to PTC at the same rate. All power produced in excess of 49.5 MW may be sold at rates determined by the TNEB. As of 20 March 2010, AERL has supplied excess power to the TNEB, which remain unpaid for, pending finalisation / approval of rates by TNEB. This is expected to be done by PTC after final reconciliation of exact units supplied with TNEB. As the tariff is not fixed and determinable and given the uncertainty involved in determination of the exact units supplied and billable, recognition of revenue from supply of excess electricity to PTC during this period has been postponed till the uncertainty is resolved.

8. Mining rights

The Group through its wholly owned Indonesian Subsidiary, PT Indbharath Energy, acquired the mining rights in Indonesia for 5 mines for a consideration of Rs. 521.10 million and also paid further advances of Rs. 92.98 million towards acquisition of 3 additional mining rights. Pursuant to the then existing regulations the Company obtained control over the mining rights through certain intermediate special purpose entities (partnership firms, private companies and individuals) and accordingly consolidated these special purpose entities holding the ultimate mining rights of which the Company is the beneficial owner.

The Company is currently in the process of obtaining certain regulatory approvals and expects to start mining operations during the year ended 31 March 2011. The mining rights acquired allow the Group to extract coal from these mines and derive economic benefits. The mining rights extend for a period of 3 years for exploration and 5 years for exploitation from the date of issue of license. As the amounts paid meet the definition of an intangible asset, the amounts paid have been capitalised in the books to be amortised over the period over which the Company derives economic benefits by way of excavation of coal and supplying it to Group companies.

9. Litigations and contingencies

(a) Ind-Barath Power (Maharashtra) Limited (IBEML)

A petition was filed by Ind-Barath Energies (Maharashtra) Limited ("IBEML") against the Maharashtra State Electricity Distribution Company Limited ("MSEDCL") and Maharashtra State Electricity Transmission Corporation Limited ("MSETCL") before the Maharashtra Electricity Regulatory Commission ("MERC") with respect to the termination of the Biomass Energy Purchase Agreement dated 18 October 2006 executed between IBEML and MSEDCL ("Agreement"). As per the terms of the Agreement,

IBEML was required to furnish a bank guarantee to secure the penalty amount for non compliance of use of fossil fuel, as a condition precedent. As per Clause 9 of Article 3 of the Agreement, the Agreement would stand terminated if any of the conditions precedent are not fulfilled within twelve months from the date of signing the Agreement. IBEML contends that as a result of non-fulfillment of one of the conditions precedent (i.e. not giving bank guarantee), the Agreement stood automatically terminated and thus upon automatic termination, IBEML had no obligation to supply electricity to MSEDCL. Further, management believed that post termination of the Agreement, IBEML is entitled to supply power generated by it under the open access regulation to any distribution licensee of its choice. MERC passed an order dated 8 January 2010 stating that as per the terms of the Agreement, MSEDCL has the right to waive the condition precedent and hence the Agreement does not stand automatically terminated. Further, IBEML contends that the action of MSEDCL and MSETCL to compel IBEML to supply power at lower rates was causing IBEML tremendous economic hardship, especially with the rising biomass fuel costs, and accordingly, IBEML was not able to service its loans, and therefore intentionally did not fulfil the condition precedent in order to terminate the Agreement. MERC has held that this is not a legally tenable ground for seeking termination and there must be sanctity of contract. IBEML has filed an appeal on 23 February 2010 against the above order before the Appellate Tribunal for Electricity, New Delhi. Necessary accruals have been established with regard to this contingency in the financial statements during the nine months ended 31 December 2009.

(b) **Ind Barath Power Infra Limited - Income tax matters**

The Company received a demand from the Deputy Commissioner of Income Tax, Circle-2(1), Hyderabad ("Deputy Commissioner") under section 156 of the Income Tax Act, 1951 on 29 December 2009, demanding a sum of Rs. 10.27 million for the assessment year 2007-08. The tax authorities have claimed that the Company received certain unsecured loans from one of its subsidiary, IBEL, which in accordance with the Income Tax Act, 1951 is constructed as "deemed dividend" and is subject to tax. Although the Company has preferred an appeal against the said order of the Deputy Commissioner on 8 February 2010, necessary accruals have been established with regard to this income-tax contingency in the financial statements.

(c) **Ind-Barath Energies Limited – Income tax matters**

The Commercial Tax Officer, Hyderabad has passed an order levying penalty of Rs. 1.04 million on IBEL for the assessment year 2002 – 03. IBEL has filed an appeal against the order of the Commercial Tax Officer before the Appellate Deputy Commissioner, Hyderabad, and the same is pending. IBEL had filed an application for stay before the Appellate Deputy Commissioner and Additional Commissioner (CT) (Legal) but the same was rejected by an order dated 26 August 2008. Although IBEL has filed a writ petition before the High Court of Andhra Pradesh seeking grant of a stay on the collection of the disputed penalty, necessary accruals have been established with regard to this income-tax contingency in the financial statements.

(d) **Disputes with captive consumers in AERL**

Arkay project was initially set up in 2006 as a Generating Company with Natural gas as fuel, based on the agreement AERL entered into with Gas Authority of India Limited (GAIL). It started selling power as a group captive power plant for which AERL entered into separate agreements with 28 identified consumers for power supply and equity investment. These consumers initially had a combined equity interest of 27.56% in AERL. The initial term of these agreements was for a period of six years from the date of commissioning and renewable on mutual terms thereafter. The tariff for the power to be sold to the consumers was agreed at 10% - 12.5% discount to TNEB's energy charges as applicable to those High Tension (HT) consumers. In order to supply power to its captive customers, the Company entered into a wheeling agreement with TNEB to enable the Company to supply power to the TNEB Grid, which, in turn agreed to supply power to the captive customers wherever they were located within Tamil Nadu.

Based on the actual gas made available by GAIL and pursuant to the captive power supply agreement, the Company supplied 100% of its power to the group captive consumers up to fiscal 2008. During fiscal 2009, 67% of the power generated was supplied to captive consumers and the balance was supplied to PTC India Limited (PTC) / Tamil Nadu Electricity Board (TNEB). Effective 1 April, 2009, three of the captive consumers exited and sold their holdings back to the Group and thereby the overall holdings of the captive customers went below the required 26% shareholding threshold, a requirement to be complied as per the regulations to retain the status of captive power plant. Hence, AERL stopped supplying power to its erstwhile captive consumers from 1 April 2009 and has been supplying the entire power generated from the plant only to TNEB through PTC. This position was communicated to all the erstwhile captive consumers.

Some of the above captive consumers did not agree with AERL's contention and accordingly, referred the matter to the Arbitration Proceedings and filed applications before the High Court of Madras for restraining AERL from supplying power to third parties without addressing their claim over the power generated by AERL, and also for restraining AERL from stopping power supply to the third parties till the Arbitral proceedings get concluded. Most of the consumers demanded compensation and the claims thereon aggregating to Rs. 2,960 million. These claims covered both the past periods, and the future periods up to which the supply of power was required to be undertaken by AERL and also included penalties for not fulfilling the terms of the respective contracts.

Considering the out-of-court settlements which have occurred during the period April to December 2009 for which an amount of Rs. 44 million was agreed and further out-of-court settlement which have occurred after the balance sheet date amounting to Rs. 41.48 million, and ongoing negotiations associated with the future out-of-court settlements, AERL concluded that further provision of Rs. 306 million was required.

The following table summarizes the break of these accruals, shown as exceptional items, in the relevant accounting periods:

Year / Period ended	Amount (In Rs. million)
31 March 2007	11.73
31 March 2008	18.58
31 March 2009	28.89
31 December 2009	332.28
Total	391.48

10. Bonus issue

Subsequent to the balance sheet date, the Company in its Extra Ordinary General Meeting held on 10 May 2010, approved issue of bonus shares to its existing shareholders in the ratio of 155 equity shares for every 100 equity shares outstanding. Pursuant to bonus issue, the weighted average number of equity shares and the earnings per share information for all periods presented have been adjusted in accordance with AS – 20 “Earnings Per Share” notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956. All references to number of equity shares and price per share has been adjusted for the effect of bonus issue for all periods presented.

(In Rs. Million)

ANNEXURE - VI						
STATEMENT OF ACCOUNTING RATIOS						
PARTICULARS	FOR THE YEAR ENDED 31 MARCH					AS AT 31
	2005	2006	2007	2008	2009	DECEMBER
						2009
Net worth (A) (Excluding share application money pending allotment and preference share capital)	113.84	479.04	1,490.11	3,658.45	4,004.68	5,959.93
Restated Profit after tax (B)	15.61	37.75	188.23	493.20	253.68	441.46
Weighted average number of equity shares outstanding during the year						
- For basic earnings per share (C)	25,500	25,500	27,397,348	67,678,966	72,170,516	75,494,492
- For diluted earnings per share (D)	1,051,443	543,773	27,397,348	70,471,127	87,186,711	89,943,388
Earnings per share Rs.10 each						
- Basic earnings per share (Rs.) (E)	612.21	1,265.85	5.99	7.15	3.51	5.85
- Diluted earnings per share (Rs.) (F)	14.85	59.36	5.99	6.87	2.91	4.91
Return on Net Worth (%) (G - B/A)	13.71%	7.88%	12.63%	13.48%	6.33%	7.41%
Number of shares outstanding at the end of the year / period (H)	25,500	3,457,800	51,206,078	72,170,516	72,170,516	91,428,470
Net Assets Value per share of Rs. 10 each (I - A/H)	4,464.31	138.54	29.10	50.69	55.49	65.19
Notes:						
1. The above ratios are calculated as under:						
a) Earnings per share (Rs.) = Net profit after tax, as restated / Weighted average number of equity shares as at year / period end						
b) Return of Net worth (%) = Net profit after tax, as restated / Net worth as restated as at year or period end						
"Net worth" means the sum total of the paid-up equity capital and free reserves						
"Free reserves" means all reserves created out of the profits and share premium account but does not include reserves created out of revaluation of assets, write back of depreciation provisions and amalgamation;						
c) Net asset value (Rs.) = Net worth as restated / Number of equity shares as at year or period end						
2. The figures disclosed above are based on the restated consolidated financial information of Ind-Barath Power Infra Limited.						
3. Subsequent to the 31 December 2009, the Company in its Extra Ordinary General Meeting held on 10 May 2010 issued bonus shares to its existing shareholders in the ratio of 155 additional equity shares for every 100 equity shares outstanding. Pursuant to bonus issue, the weighted average number of equity shares and the earnings per share information for all periods presented have been adjusted in accordance with AS – 20 "Earnings Per Share" notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956.						
4. Earning per shares (EPS) calculation are done in accordance with Accounting Standard (AS) 20 "Earnings per share" prescribed by the Companies (Accounting Standards) Rules, 2006.						

(In Rs. Million)

ANNEXURE - VII						
DETAILS OF OTHER INCOME, AS RESTATED						
PARTICULARS	FOR THE YEAR ENDED 31 MARCH					FOR THE PERIOD ENDED 31
	2005	2006	2007	2008	2009	DECEMBER
						2009
Interest income	4.65	2.53	6.20	48.60	39.67	27.33
Dividend income	-	-	0.22	9.15	1.82	0.17
Insurance claim received	-	-	1.42	-	8.31	3.34
Profit on sale of fixed assets, net	-	-	1.23	0.02	1.50	0.06
Profit on sale of investment in associate	-	-	13.30	-	-	-
Exchange difference, net	-	-	-	1.69	-	111.46
Miscellaneous income	-	0.05	5.52	2.22	4.34	8.29
Total	4.65	2.58	27.89	61.68	55.64	150.65

Note:

1. The above figures disclosed are as per the restated consolidated financial information of Ind-Barath Power Infra Limited.

(In Rs. Million)

ANNEXURE - VIII						
DETAILS OF SECURED LOANS, AS RESTATED						
PARTICULARS	AS AT 31 MARCH					AS AT 31
	2005	2006	2007	2008	2009	DECEMBER
						2009
From banks						
- Term loans	-	1,023.45	2,340.49	3,176.18	5,600.65	8,454.50
- Debenture application money	-	996.23	-	-	-	-
- Secured non-convertible redeemable debentures of Rs.10 each	-	-	996.23	853.91	711.59	604.85
- Cash credit arrangements	-	27.57	218.64	242.23	310.01	557.69
- Vehicle loans	-	-	10.39	5.89	7.73	20.03
Total	-	2,047.25	3,565.75	4,278.21	6,629.98	9,637.07
Note:						
1. The above figures disclosed are as per the restated consolidated financial information of Ind-Barath Power Infra Limited.						

ANNEXURE – VIII A						
STATEMENT OF SECURED LOANS AS ON 31 December 2009						
S.No.	Bank	Amount Sanctioned	Outstanding balance	Rate of Interest	Repayment Terms	Security offered
Term Loans:						
1	Allahabad Bank	30.00	25.76	1% below the bank's Prime Lending Rate Applicable rate on the date of sanction: 8.97% per annum	20 quarterly installments of Rs. 1.50 Million each commencing from 30 June 2009	IBPIL: Exclusive charge on the assets (both moveable and immoveable) of the specific project (1) Wind Power Project, Kerala and (2) Personal Guarantee of Sri K Raghu Ramakrishna Raju.
2	IDBI Bank	2,735.00	166.44	0.50% below IDBI MTLR subject to floor rate of 9.75% payable monthly on the principal amounts of the loan outstanding from time to time, on the 1st of each month Applicable rate on the date of sanction: 10.25% per annum	28 quarterly installments of Rs. 9.768 Million commencing from 1 April 2007	AERL: First charge and mortgage on all immovable assets, both present and future of AERL. First charge by way of hypothecation of all the Company's movables, including movable plant and machinery, current assets and all other movable assets, present and future subject to prior charges created/ to be created in favor of the Company's bankers on the current assets for securing the borrowings for working capital requirements. First charge on Company's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future. First charge by way of assignment of (i) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents, all as amended, varied and supplemented from time to time; (ii) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in the Clearances; (iii) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in any letter of credit, guarantee, performance bond provided by any party to the Project Documents and (iv) all Insurance Contracts/ Insurance proceeds. Charges on the Debt Service Reserve Account, Major Maintenance Reserves and other reserves and any other bank accounts of the company wherever maintained. Pledge of entire shares held by the sponsors which shall not go below 51% of the equity share capital of the company. The shares to be pledged shall be free from any restrictive covenants/ lien or other encumbrance under any contract/ arrangement including shareholder agreement/ joint venture

ANNEXURE – VIII A						
STATEMENT OF SECURED LOANS AS ON 31 December 2009						
S.No.	Bank	Amount Sanctioned	Outstanding balance	Rate of Interest	Repayment Terms	Security offered
						agreement/ financing arrangement with regard to pledge/ transfer of shares including transfer upon enforcement of the pledge.
3	Union Bank of India	135.00	3.37	10.25% per annum i.e., 9.79% payable monthly, with annual reset clause	84 equal monthly installments of Rs. 0.161 Million commencing from April, 2006 to March, 2013	AERL: Pari passu first charge on project fixed assets, both present and future of AERL Hypothecation of all receivables prior to project commissioning including liquidated damages arising out of performance guarantees issue by Wartsila India and Wartsila Finland etc. in favor of Senior Project Lenders on pari passu basis Lien of all project contracts including civil works contract, offshore supply contract, gas supply contract, services contract, electrical equipment contract, operation agreement, maintenance agreement, power supply agreement, etc Personal guarantee of Raghu Ramakrishna Raju and Rama Devi
4	Axis Bank Limited	625.00	315.92	1.75% below Prime Lending Rate payable monthly Applicable rate on the date of sanction: 10.25% per annum	84 equal monthly installments starting 1 year from the date of first drawdown	AERL: Pari passu first charge on project fixed assets, both present and future of AERL Hypothecation of all receivables prior to project commissioning including liquidated damages arising out of performance guarantees issue by Wartsila India and Wartsila Finland etc. in favor of Senior Project Lenders on pari passu basis Negative lien of all project contracts including civil works contract, offshore supply contract, gas supply contract, services contract, electrical equipment contract, operation agreement, maintenance agreement, power supply agreement, etc Personal guarantee of Raghu Ramakrishna Raju
5	Secured redeemable non convertible debentures - IDFC	1,000.00	604.85	0.78% per annum above the IDFC Prime Lending Rate Applicable rate on the date of sanction: 8.97% per annum	28 equal quarterly installments commencing from 15 April, 2007	AERL: First charge and mortgage on all immovable assets, both present and future of AERL First charge by way of hypothecation of all the Company's movables, including movable plant and machinery, current assets and all other movable assets, present and future subject to prior charges created/ to be created in favor of the Company's bankers on the current assets for securing the borrowings for working capital requirements. First charge on Company's book debts, operating cash flows, receivables, commissions,

ANNEXURE – VIII						
STATEMENT OF SECURED LOANS AS ON 31 December 2009						
S.No.	Bank	Amount Sanctioned	Outstanding balance	Rate of Interest	Repayment Terms	Security offered
						<p>revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future.</p> <p>First charge on the trust and retention account, debt service reserve account, major maintenance reserve and other reserves and any other bank accounts of the company wherever maintained.</p> <p>First charge by way of assignment of (i) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents, all as amended, varied and supplemented from time to time; (ii) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in the Clearances; (iii) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in any letter of credit, guarantee, performance bond provided by any party to the Project Documents and (iv) all Insurance Contracts/ Insurance proceeds</p> <p>Personal guarantee of Raghu Ramakrishna Raju and Rama Devi</p>
6	UCO Bank	136.30	129.05	1.75% below Prime Lending Rate payable monthly Applicable rate on the date of sanction: 10.25% per annum	32 quarterly installments of Rs. 4.26 Million commencing from 30 March 2006	<p>IBETL: Pari passu first charge by way of mortgage on all the existing and future immovable properties/ fixed assets of the company including and pertaining to proposed 20 MW Biomass Power Project Eppoduvendran, Thoothukudi, Tamilnadu Collateral: Pledge of shares of promoters contribution Personal guarantees of directors Raghu Ramakrishna Raju and Rama Devi Corporate guarantee of Ind Barath Energies Limited</p>
7	UCO Bank	47.70	-	10.75% per annum	32 quarterly installments of Rs. 1.49 Million commencing from December, 2006	<p>IBETL: Pari passu first charge by way of mortgage on all the existing and future immovable properties/ fixed assets of the company including and pertaining to proposed 20 MW Biomass Power Project Eppoduvendran, Thoothukudi, Tamilnadu Collateral: Pledge of shares of promoters contribution Personal guarantees of directors. Raghu Ramakrishna Raju and Rama Devi Corporate guarantee of Ind Barath Energies Limited</p>

ANNEXURE – VIII A						
STATEMENT OF SECURED LOANS AS ON 31 December 2009						
S.No.	Bank	Amount Sanctioned	Outstanding balance	Rate of Interest	Repayment Terms	Security offered
8	Andhra Bank	150.00	106.88	BMPLR+Term Premia-0.50% i.e., with a minimum of 10.25%	32 quarterly installments Rs. 4.687 Million commencing from 30 June 2006	IBETL: Pari passu first charge on all the existing and future immovable properties/ fixed assets of the company Hypothecation of moveable assets of the company, both existing and future, on pari passu charge basis with the co-financing institutions for term loan, subject to prior charge of banks on specified current assets.
9	Indian Renewable Energy Development Agency (IREDA)	169.40	120.25	10.75% per annum	32 quarterly installments of Rs. 5.294 Million commencing from 30 June 2007	IBETL: Mortgage of immovable properties Hypothecation of movable assets Personal guarantees of directors. Raghu Ramakrishna Raju and Rama Devi Corporate guarantee of Ind Barath Energies Limited Trust and Retention Account/ Special Account: The company shall deposit sale proceeds of power received from TNEB in the Trust and Retention Account/ Special Account to be opened in such form and manner as IREDA may provide and IREDA shall have first charge/ lien on the said account.
10	IDBI Bank	250.00	207.57	Applicable rate on the date of sanction: 10.25% per annum	28 quarterly installments commencing from 1 April 2008	IBEML: First charge by way of mortgage on the immovable assets of the company, both present and future First charge by way of hypothecation of all the company's movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets, both present and future First charge on all company's bank accounts, including but not limited to the Trust & Retention Account opened in the designated bank, where all cash inflows shall be deposited and all the proceeds shall be utilized in a manner and priority as approved by lenders subject to prior charge of working capital bankers on TRA excluding Debt Service Reserve Account. First charge by way of assignment of (i) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents, all as amended, varied and supplemented from time to time; (ii) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in the Clearances; (iii) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in any letter of credit, guarantee.

ANNEXURE – VIII A						
STATEMENT OF SECURED LOANS AS ON 31 December 2009						
S.No.	Bank	Amount Sanctioned	Outstanding balance	Rate of Interest	Repayment Terms	Security offered
11	IDBI Bank	70.00	52.79	Applicable rate on the date of sanction: 12.75% per annum	28 quarterly installments commencing from 1 October 2008	<p>performance bond provided by any party to the Project Documents and (iv) all Insurance Contracts/ Insurance proceeds</p> <p>Pledge of shares held by promoters to the extent of 30% of the total equity in the company till implementation of project. The same will be released one year after commencement of operations of the project.</p> <p>Unconditional and irrevocable personal guarantee of Raghu Ramakrishna Raju.</p> <p>IBEML:</p> <p>First charge by way of mortgage on the immovable assets of the company, both present and future</p> <p>First charge by way of hypothecation of all the company's movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets, both present and future</p> <p>First charge on all company's bank accounts, including but not limited to the Trust & Retention Account opened in the designated bank, where all cash inflows shall be deposited and all the proceeds shall be utilized in a manner and priority as approved by lenders subject to prior charge of working capital bankers on TRA excluding Debt Service Reserve Account.</p> <p>First charge by way of assignment of (i) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents, all as amended, varied and supplemented from time to time; (ii) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in the Clearances; (iii) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in any letter of credit, guarantee, performance bond provided by any party to the Project Documents and (iv) all Insurance Contracts/ Insurance proceeds</p> <p>Pledge of shares held by promoters to the extent of 30% of the total equity in the company till implementation of project. The same will be released one year after commencement of operations of the project.</p> <p>Unconditional and irrevocable personal guarantee of Raghu Ramakrishna Raju</p>

ANNEXURE – VIII A						
STATEMENT OF SECURED LOANS AS ON 31 December 2009						
S.No.	Bank	Amount Sanctioned	Outstanding balance	Rate of Interest	Repayment Terms	Security offered
12	Indian Overseas Bank	250.00	218.37	BPLR Applicable rate on the date of sanction: 11.50% per annum	28 quarterly installments of Rs. 9 Million with suitable adjustment in the last instalment, commencing from December, 2007	IBEML: First charge on Company's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future, subject to prior charge to working capital financing banks. Pledge of shares held by promoters in favor of the term lenders to the extent of 30% of total equity in the company till implementation of project. The same will be released one year after commencement of operations of the project. First pari passu charge on all company's bank accounts, all the rights, titles, benefits, interest, claims, etc., including but not limited to the Trust and Receivables Account (TRA) opened in a designated bank where all cash inflows shall be deposited and all the proceeds shall be utilized in the manner and priority to to be approved by the lenders, subject to prior charge of working capital bankers on TRA, excluding Debt Service Reserve Account. Personal guarantees of Raghu Ramakrishna Raju, CMD of the company.
13	Indian Renewable Energy Development Agency (IREDA)	192.80	172.10	11.50% per annum	28 quarterly installments of Rs. 6.905 Million commencing from 30 September 2009	DHPL: Exclusive first charge by way of mortgage on the immovable assets of the company, both present and future including and pertaining to the project. Exclusive first charge by way of hypothecation of all movable assets/ properties, both existing and future including and pertaining to the project. Personal guarantees of directors Raghu Ramakrishna Raju and Rama Devi. Corporate guarantee of Ind-Barath Power Infra Limited and Network Power Private Limited.
14	Indian Renewable Energy Development Agency (IREDA)	154.60	66.22	13.75% per annum Rebate of 0.50% allowed if installments of principal and interest are repaid on or before due dates	28 quarterly installments of Rs. 5.522 Million commencing from 31 March 2006	DHPL: Exclusive first charge by way of mortgage on all immovable properties of the company including and pertaining to proposed 4.50 MW (2 numbers of 2.25 MW each) Maujhi Small Hydro Project to be set up at village Khanyara, Himachal Pradesh. Exclusive first charge by way of hypothecation on all movable assets/ properties both existing and future including and pertaining to proposed 4.50 MW (2 numbers of 2.25 MW each) Maujhi Small Hydro Project to be set up at village Khanyara, Himachal Pradesh

ANNEXURE – VIII A						
STATEMENT OF SECURED LOANS AS ON 31 December 2009						
S.No.	Bank	Amount Sanctioned	Outstanding balance	Rate of Interest	Repayment Terms	Security offered
						Personal guarantees of directors Raghu Ramakrishna Raju and Rama Devi. Corporate guarantee of Boston Teknowys (India) Limited, NATL Technologies Limited, Ind-Barath Energies Limited and NATL Power Limited.
15	Punjab National Bank	31.10	15.15	13.25% linked to BPLR	28 quarterly installments of Rs. 1.11 Million commencing from December 2006 and ending with September 2013	DHPL: Pari passu first charge on the block assets of the company Personal guarantees of directors Raghu Ramakrishna Raju and Rama Devi. Corporate guarantee of Boston Teknowys (India) Limited, NATL Technologies Limited, Ind-Barath Energies Limited and NATL Power Limited. Pledge of shares belonging to the following promoters: Boston Teknowys (India) Limited (2,200,000 shares) Raghu Ramakrishna Raju (1,590,000 shares) Rama Devi (750,000 shares).
16	UCO Bank	50.00	50.32	11.50% per annum	28 quarterly installments of Rs. 6.905 Million commencing from 30 September 2009	DHPL: Exclusive first charge by way of mortgage on the immovable assets of the company, both present and future including and pertaining to the project. Exclusive first charge by way of hypothecation of all movable assets/ properties, both existing and future including and pertaining to the project. Personal guarantees of directors Raghu Ramakrishna Raju and Rama Devi Corporate guarantee of Ind-Barath Power Infra Limited and Network Power Private Limited.
17	UCO Bank	750.00	736.95	BPLR minus 1% Applicable rate on the date of sanction: 13.00% per annum	32 quarterly installments after 12 months from the COD (expected date 15 months after financial closure)	IBPGL: First Pari passu mortgage and hypothecation charge over the land, building, plant & machinery and other immovables & movable fixed assets of the existing & expansion project of the company (both existing and future) at location. First pari-passu charge on borrower' separating cash flows, book debts, receivables, commissions and revenues of whatsoever nature and wherever arising, present and future. Pari-passu charge on all intangibles including but not limited to goodwill, uncalled capital, present and future. First charge by way of assignment of (i) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents, all as

ANNEXURE – VIII						
STATEMENT OF SECURED LOANS AS ON 31 December 2009						
S.No.	Bank	Amount Sanctioned	Outstanding balance	Rate of Interest	Repayment Terms	Security offered
						<p>amended, varied and supplemented from time to time; (ii) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in the Clearances; (iii) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in any letter of credit, guarantee, performance bond provided by any party to the Project Documents and (iv) all Insurance Contracts/ Insurance proceeds</p> <p>First pari-passu charge on the trust and retention account, debt service reserve account, and other reserves including major maintenance reserve and any other bank accounts of the borrower wherever maintained.</p> <p>First pari-passu charge on pledge of at least 51% of the paid up capital of the borrower brought in for expansion projects held by the sponsors which shall include 100% of the shares held by K Raghuram Krishna Raju in the borrower. The shares to be pledged shall be free from any restrictive covenants/ lien or other encumbrance under any contract/ arrange including shareholder agreement/ joint venture agreement/ financing arrangement with regard to pledge/ transfer of shares including transfer upon enforcement of the pledge.</p>
18	Punjab National Bank	350.00	341.68	BPLR plus 0.50% (TP) minus 0.75% Applicable rate on the date of sanction: 13.75% per annum	32 quarterly installments plus interests commencing after 24 months or along with other term lenders whichever is earlier.	<p>IBPGL:</p> <p>First mortgage and charge on pari-passu basis on all the immovable/ fixed assets of the borrower</p> <p>First pari-passu charge by way of hypothecation of existing and future movable fixed assets of the borrower including but not limited to plant & machinery (except to the extent financed under long term lease), spares, etc.</p> <p>First mortgage and charge on pari-passu basis on all the intangible assets including but not limited to the goodwill, undertaking, uncalled capital and intellectual property rights of the borrower</p> <p>Pari-passu first charge on all current assets including receivables, money and investments lying in all Escrow accounts subject to terms and conditions as per escrow agreement.</p> <p>First pari-passu charge on the project contracts of the company</p> <p>Pledge of shares held by the sponsor in the equity share capital of the company, on pari passu basis with existing lenders.</p> <p>Assignment of all receivables and contracts.</p>

ANNEXURE – VIII A						
STATEMENT OF SECURED LOANS AS ON 31 December 2009						
S.No.	Bank	Amount Sanctioned	Outstanding balance	Rate of Interest	Repayment Terms	Security offered
19	Bank of India (Foreign currency term loan)	USD 10,000,000	451.91	3 months USD LIBOR + 325 bps on 360 day basis.	32 quarterly installments plus interests commencing after 24 months moratorium on principal repayment or from July 1, 2010 whichever is earlier.	<p>IBPGL: First Pari passu mortgage and hypothecation charge over the land, building, plant & machinery and other immovables & movable fixed assets of the existing & expansion project of the company (both existing and future) at location.</p> <p>First pari-passu charge on borrower' operating cash flows, book debts, receivables, commissions and revenues of whatsoever nature and wherever arising, present and future.</p> <p>Pari-passu charge on all intangibles including but not limited to goodwill, uncalled capital, present and future.</p> <p>First charge by way of assignment of (i) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents, all as amended, varied and supplemented from time to time; (ii) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in the Clearances; (iii) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in any letter of credit, guarantee, performance bond provided by any party to the Project Documents and (iv) all Insurance Contracts/ Insurance proceeds</p> <p>First pari-passu charge on the trust and retention account, debt service reserve account, and other reserves including major maintenance reserve and any other bank accounts of the borrower wherever maintained.</p> <p>First pari-passu charge on pledge of at least 51% of the paid up capital of the borrower brought in for expansion projects held by the sponsors which shall include 100% of the shares held by K Raghu Ramakrishna Raju in the borrower. The shares to be pledged shall be free from any restrictive covenants/ lien or other encumbrance under any contract/ arrange including shareholder agreement/ joint venture agreement/ financing arrangement with regard to pledge/ transfer of shares including transfer upon enforcement of the pledge.</p>
20	Infrastructure Development Finance Company Limited	1,200.00	1,172.12	2.34% over and above the 2 year IDFC benchmark rate prevailing on the date of	36 equal quarterly installments commencing from October 15, 2009	<p>IBPGL: First mortgage and charge of all the borrower's immovable properties, present and future.</p> <p>First Pari passu mortgage and hypothecation of all borrowers</p>

ANNEXURE – VIII A						
STATEMENT OF SECURED LOANS AS ON 31 December 2009						
S.No.	Bank	Amount Sanctioned	Outstanding balance	Rate of Interest	Repayment Terms	Security offered
				disbursement. Provided that, IDFC shall charge interest at the weighted average rate of interest after each trache of disbursement		movables, including movable plant & machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and other movable assets, present and future. First pari-passu charge on borrower' operating cash flows, book debts, receivables, commissions and revenues of whatsoever nature and wherever arising, present and future.
21	Indian Overseas Bank	400.00	394.56	0.50% below BPLR Applicable rate on the date of sanction: 12.75% per annum	32 equal quarterly installments commencing from September 30, 2009	Pari-passu charge on all intangibles including but not limited to goodwill, uncalled capital, present and future. First charge by way of assignment of (i) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents, all as amended, varied and supplemented from time to time; (ii) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in the Clearances; (iii) all the rights, titles, interest, benefits, claims and demands whatsoever of the company in any letter of credit, guarantee, performance bond provided by any party to the Project Documents and (iv) all Insurance Contracts/ Insurance proceeds
22	State Bank of India	400.00	392.93	0.50% below BPLR Applicable rate on the date of sanction: 12.75% per annum	32 equal quarterly installments commencing from September 30, 2009	First pari-passu charge on the trust and retention account, debt service reserve account, and other reserves including major maintenance reserve and any other bank accounts of the borrower wherever maintained.
23	State Bank of Indore	300.00	293.50	0.50% below BPLR Applicable rate on the date of sanction: 12.75% per annum	32 equal quarterly installments commencing from September 30, 2009	First pari-passu charge on pledge of at least 51% of the paid up capital of the borrower brought in for expansion projects held by the sponsors which shall include 100% of the shares held by K Raghu Ramakrishna Raju in the borrower. The shares to be pledged shall be free from any restrictive covenants/ lien or other encumbrance under any contract/ arrange including shareholder agreement/ joint venture agreement/ financing arrangement with regard to pledge/ transfer of shares including transfer upon enforcement of the pledge.
24	State Bank of Travancore	300.00	295.70	0.25% below BPLR Applicable rate on the date of sanction: 12.75% per annum	32 equal quarterly installments commencing from September 30, 2009	
25	Syndicate Bank	400.00	385.05	0.25% below BPLR Applicable rate on the date of sanction: 12.75% per annum	36 equal quarterly installments commencing from September 30, 2009	
26	Axis Bank Limited	350.00	343.89	0.25% below BPLR Applicable rate on the date of sanction: 12.75% per annum	36 equal quarterly installments commencing from September 30, 2009	
27	L & T Infrastructure Limited	790.00	130.00	0.75% below SBI PLR Applicable rate on the date of sanction: 11.50% per annum	40 equal quarterly installments of Rs. 235.45 Million commencing 36 months form the date of first	IBPKL: First mortgage and charge on all immovable properties and assets of the project. First charge by way of hypothecation of all the movable assets including but not limited to plant and machinery, machinery

ANNEXURE – VIII						
STATEMENT OF SECURED LOANS AS ON 31 December 2009						
S.No.	Bank	Amount Sanctioned	Outstanding balance	Rate of Interest	Repayment Terms	Security offered
28	Canara Bank	1,000.00	164.90	1.25% below BPLR Applicable rate on the date of sanction: 11.50% per annum	draw down or 6 months from Commercial Operation Date (COD)	spares, tools and accessories. First ranking assignment/ charge of all contracts, including off-take contracts, documents, insurance, proposed project, rights, titles, permits, approvals, clearances and interests of borrower. First charge on the respective projects book debts, operating cash flows, receivables, commissions, revenues of of what whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future.
29	Punjab National Bank	1,970.00	74.04	11.50% per annum		First charge on all company's bank accounts, including but not limited to the Trust & Retention Account, where all cash inflows shall be deposited and all the proceeds shall be utilized in a manner and priority as approved by lenders First charge on DSRA Assignment of all the borrower's rights and interests related to the proposed project under Letter of Credit, guarantee or performance bond provided by any party for any contract related to the project in favor of the borrower.
30	UCO Bank	980.00	161.30	2.00% below BPLR Applicable rate on the date of sanction: 11.50% per annum		First ranking pledge of shares of the borrower by the promoter/ IBPIL up to 51% of the total number of equity shares allotted for meeting the equity requirement of the project Second pari-passu charge by way of hypothecation of entire current assets of the borrower.
31	Vijaya Bank	980.00	161.30	BPLR minus 1.75% plus 0.25% term premia Applicable rate on the date of sanction: 11.50% per annum		
32	State Bank of Mysore	500.00	82.26	11.50% per annum		
33	State Bank of Travancore	500.00	83.03	1.50% below BPLR Applicable rate on the date of sanction: 11.50% per annum		
34	Axis Bank Limited	490.00	40.00	3.25% below BPLR		
35	Bank of India	980.00	161.86	11.50% per annum		
36	Indian Bank	490.00	18.21	11.50% per annum linked to BPLR		
37	State Bank of Indore	250.00	41.10	11.50% per annum		
38	Syndicate Bank	488.00	80.20	11.50% per annum		
39	Bank of India	30.94	15.28	14.00% per annum	40 equal quarterly installments of commencing 36 months from the date of first draw down	IBPKL: Second mortgage and charge on all immovable properties and assets of the project. Second charge by way of hypothecation of all the movable assets including but not limited to plant and machinery, machinery spares, tools and accessories.
40	Oriental Bank of Commerce	30.94	15.28	14.00% per annum		Second ranking assignment/ charge of all contracts, including off-take contracts, documents, insurance, proposed project, rights, titles, permits, approvals, clearances and interests of borrower.
41	Indian Bank	30.94	15.31	14.00% per annum		Second charge on the respective projects book debts, operating cash flows, receivables, commissions,
42	Infrastructure Leasing and Financial Services Limited	30.94	15.28	14.00% per annum		
43	UCO Bank	30.94	15.28	14.00% per annum		
44	Indian Overseas Bank	30.94	15.28	14.00% per annum		
45	Central Bank of India	30.94	12.23	14.00% per annum		

ANNEXURE – VIII A						
STATEMENT OF SECURED LOANS AS ON 31 December 2009						
S.No.	Bank	Amount Sanctioned	Outstanding balance	Rate of Interest	Repayment Terms	Security offered
46	Vijaya Bank	24.75	6.11	14.00% per annum		revenues of of what whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future.
47	Bank of Maharashtra	24.75	6.11	14.00% per annum		Second charge on all company's bank accounts, including but not limited to the Trust & Retention Account, where all cash inflows shall be deposited and all the proceeds shall be utilized in a manner and priority as approved by lenders
48	Dena Bank	12.38	6.11	14.00% per annum		Second charge on DSRA
49	United Bank of India	12.38	6.11	14.00% per annum		Assignment of all the borrower's rights and interests related to the proposed project under Letter of Credit, guarantee or performance bond provided by any party for any contract related to the project in favor of the borrower.
50	Corporation Bank	12.38	6.11	14.00% per annum		Second ranking pledge of shares of the borrower by the promoter/IBPIL up to 51% of the total number of equity shares allotted for meeting the equity requirement of the project.
51	Canara Bank	30.94	15.29	14.00% per annum		
52	Syndicate Bank	12.38	12.23	14.00% per annum		
53	L & T Infrastructure Limited	200.00	98.67	1.75% above SBI PLR Applicable rate on the date of sanction: 11.50% per annum	40 equal quarterly installments of Rs. 5 Million commencing form March 2011	IBPKL: Second mortgage and charge on all immovable properties and assets of the project. Second charge by way of hypothecation of all the movable assets including but not limited to plant and machinery, machinery spares, tools and accessories. Second ranking assignment/charge of all contracts, including off-take contracts, documents, insurance, proposed project, rights, titles, permits, approvals, clearances and interests of borrower. Second charge on the respective projects book debts, operating cash flows, receivables, commissions, revenues of what whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future.
54	State Bank of Mysore	100.00	49.36	14.00% per annum	40 equal quarterly installments of Rs. 2.5 Million commencing form March 2011	Second charge on all company's bank accounts, including but not limited to the Trust & Retention Account, where all cash inflows shall be deposited and all the proceeds shall be utilized in a manner and priority as approved by lenders Second charge on DSRA Assignment of all the borrower's rights and interests related to the proposed project
55	Standard Chartered Bank	USD9,058,000	423.91	Libor plus 0.10 % per annum	Maximum of 180 days from the draw down date.	IBPKL: Letter of undertaking issued by Punjab National Bank (leader of consortium)

ANNEXURE – VIII A						
STATEMENT OF SECURED LOANS AS ON 31 December 2009						
S.No.	Bank	Amount Sanctioned	Outstanding balance	Rate of Interest	Repayment Terms	Security offered
56	UCO Bank	232.00	33.86	0.50% above UCOPLR Applicable rate on the date of sanction: 12.25% per annum	20 quarterly installments of Rs. 10 Million commencing from 15 Jan 2005	RRREL: First mortgage and charge of all immovable properties First charge by way of hypothecation of all the movable assets including but not limited to plant and machinery, machinery spares, tools and accessories. Assignment by way of first charge of all rights, titles and interests of the borrower in, to and under all the receivables, accounts and book debts, both present and future. Assignment by way of first charge of right, title and interest of the borrower in, to and under all (a) of the project documents, (b) the guarantees, letter of credits and performance warranties, indemnities and securities by various counter parties under the project documents such as PPA and EPC contracts, after obtaining the written consent of the parties thereto, if necessary First charge of right, title and interest of the borrower in, to and under all the government approvals, insurance policies and uncalled capital. A first charge on all intangible assets including but not limited to goodwill, undertaking and uncalled capital of the borrower. Personal guarantee of Raghu Ramakrishna Raju and Rama Devi and corporate guarantees of Ind-Barath Energies Limited Pledge of 2,336,800 shares held in NATL Power Limited Pledge of 2,163,200 shares held in NATL Technologies Limited.
57	Power Finance Corporation Limited	200.00	30.01	PFC Lending rate Applicable rate on the date of sanction: 11.75% per annum	20 quarterly installments of Rs. 10 Million commencing from 15 Jan 2005	
Total (A)			9,059.35			
Cash credit arrangements						
1	IDBI Bank	950.00	39.12	1% below MTLR Applicable rate on the date of sanction: 9.25% per annum	Cash Credit Limits Subject to Annual Review	AERL: First charge by way of hypothecation of all the company's movable, including movable plant and machinery, current assets and all other movable assets, present and future First charge on Company's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future. First charge on all company's bank accounts, including but not limited to the Trust & Retention Account, where all cash inflows shall be deposited and all the proceeds shall be utilized in a manner and priority as approved by lenders Charges on the Debt Service Reserve Account, Major Maintenance Reserves and other

ANNEXURE – VIII A						
STATEMENT OF SECURED LOANS AS ON 31 December 2009						
S.No.	Bank	Amount Sanctioned	Outstanding balance	Rate of Interest	Repayment Terms	Security offered
						reserves and any other bank accounts of the company wherever maintained
2	UCO Bank	325.00	31.11	PLR+2% Applicable rate on the date of sanction: 13.50% per annum	Cash Credit Limits Subject to Annual Review	IBEL: First charge on all current assets of the company Collateral: Second charge on all fixed assets of the company worth Rs. 213.9 Mio subject to first charge by IREDA Personal guarantee of Raghu Ramakrishna Raju and Rama Devi and corporate guarantees of Ind-Barath Power Infra Limited and NATL Technologies Limited
3	IDBI Bank	66.00	65.61	1% below PLR Applicable rate on the date of sanction: 9.50% per annum	On demand	IBETL: First exclusive charge by way of hypothecation of all the company's current assets, present and future First charge on Company's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future. First charge on all company's bank accounts, including but not limited to the Trust & Retention Account, where all cash inflows shall be deposited and all the proceeds shall be utilized in a manner and priority as approved by lenders Unconditional and irrevocable personal guarantee of Raghu Ramakrishna Raju
4	Indian Overseas Bank	70.00	72.13	BPLR Applicable rate on the date of sanction: 13.25% per annum	Cash Credit Limits Subject to Annual Review	IBEML: Secondary pari-passu charge on the entire block of assets of the company.
5	UCO Bank	80.00	79.67	BPLR Applicable rate on the date of sanction: 12.75% per annum	Cash Credit Limits Subject to Annual Review	RRREL: Hypothecation of stock of biomass, all current assets including receivables of the company, both present and future.

ANNEXURE – VIII A						
STATEMENT OF SECURED LOANS AS ON 31 December 2009						
S.No.	Bank	Amount Sanctioned	Outstanding balance	Rate of Interest	Repayment Terms	Security offered
6	Axis Bank Limited	350.00	270.04	2.25% below BPLR	Cash Credit Limits Subject to Annual Review	IBPGL: Exclusive charge by way of hypothecation of raw materials and work in progress First charge on Company's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future. First pari-passu charge by way of hypothecation of all movable assets, present and future First pari-passu charge by way of hypothecation of all movable fixed assets, present and future First pari-passu charge on intangibles, including but not limited to goodwill, uncalled capital, present and future First charge on all company's bank accounts, including but not limited to the Trust & Retention Account, where all cash inflows shall be deposited and all the proceeds shall be utilized in a manner and priority as approved by lenders
Total (B)			557.68			
Vehicle loans						
1	HDFC Bank	1.74	3.93	15.01% Per annum	35 Installments Rs, 60,600 15 July 2008	IBEML: First charge on JCB vehicle
2	HDFC Bank	1.74		15.01% Per annum	35 Installments Rs, 60,600 15 July 2008	IBEML: First charge on JCB vehicle
3	HDFC Bank	1.09		14% Per annum	35 Installments Rs, 60,600 15 July 2008	IBEML: First charge on Mahindra tractors vehicle
4	HDFC Bank	0.69		14% Per annum	35 Installments Rs. 24,160 from 15 July 2008	IBEML: First charge on Escort Tractors vehicle
5	HDFC Bank	0.69	-	14% Per annum	35 Installments Rs. 24,160 from 15 July 2008	IBEML: First charge on Escort Tractors vehicle
6	HDFC Bank	0.52	-	13% Per annum	35 Installments.Rs. 17,885 from 15 July 2008	IBEML: First charge on City Rider 16 seater
7	Kotak Mahindra Bank	17.26	14.65	11% Per annum	35 monthly Equated instalment	IBPGL: First charge on Wheel loader, Bull Dozer, Electrical fork lift
8	Kotak Mahindra Bank	1.64	1.45	11.25 Per annum	35 monthly Equated installment of Rs. 55,310	IBPGL: First charge on JCB vehicle
Total (C)			20.03			
Total (A+B+C)			9,637.07			

(In Rs. Million)

ANNEXURE - IX						
DETAILS OF UNSECURED LOANS, AS RESTATED						
PARTICULARS	AS AT 31 MARCH					AS AT 31
	2005	2006	2007	2008	2009	DECEMBER
						2009
Inter corporate deposits from promoter group and group companies of promoters	63.43	52.19	39.50	55.02	335.20	199.90
Deferred interest subsidy	-	-	6.00	2.94	1.04	0.10
Unsecured loans from others	139.49	39.11	69.88	45.44	432.88	120.39
Total	202.92	91.30	115.38	103.40	769.12	320.39
Rate of interest on promoters group loans	0%	0%	0%	0%	0%	0%
Rate of interest on other loans	0%	0%	0%	0%	16%to21%	0%

Note:

1. The above figures disclosed are as per the restated consolidated financial information of Ind-Barath Power Infra Limited.

2. The above loans are interest free, unless otherwise specified and are repayable on demand, except unsecured loan amounting to Rs.305.35 million as at 31 March 2009, included in "Unsecured loans from others" above. The same is repayable within 12 months from the date of first disbursement.

(In Rs. Million)

ANNEXURE – X						
DETAIL OF INVESTMENTS, AS RESTATED						
PARTICULARS	AS AT 31 MARCH					AS AT 31
	2005	2006	2007	2008	2009	DECEMBER
						2009
<i>Long term investment, unless otherwise stated</i>						
Quoted at cost						
5,000 equity shares in Allahabad Bank	-	-	0.05	0.05	0.05	0.05
5,631 equity shares in Andhra Bank	-	-	0.51	0.51	0.51	0.51
32,400 equity shares in UCO Bank	-	-	0.39	0.39	0.39	0.39
Unquoted - investments						
In Associates						
Ind-Barath Energies Limited	75.90	87.52	-	-	-	-
Sriba Agro Limited	2.72	2.43	-	-	-	-
Penna Electricity Limited	237.50	245.02	-	-	-	-
NATL Power Limited	-	-	-	-	-	-
In others						
Ind-Barath Commodities Limited	7.16	7.16	-	-	-	-
Dharmshala Hydro Power Limited	6.17	8.67	-	-	-	-
Raghu Rama Renewable Energy Limited	-	10.00	-	-	-	-
Penna Electricity Limited	-	-	245.02	245.02	245.02	-
Current investments						
Investment in mutual funds	-	-	-	459.08	-	2,103.73
Investment in chits	-	-	0.54	-	-	-
Total	329.45	360.80	246.51	705.05	245.97	2,104.68
Aggregate book value of quoted investment	-	-	0.95	0.95	0.95	0.95
Aggregate book value of unquoted investment	329.45	360.80	245.02	245.02	245.02	-
Aggregate book value of current investment	-	-	0.54	459.08	-	2,103.73
Aggregate market value of current investment	-	-	0.54	459.08	-	2,103.73
Aggregate market value of quoted investment	-	-	1.16	2.00	1.22	3.02
Notes:						
1. Quoted investment's market value disclosed above are as per Bombay Stock Exchange (BSE) stock index as at year / period end.						
2. The above figures disclosed are as per the restated consolidated financial information of Ind-Barath Power Infra Limited.						
3. The following investment in equity shares in Penna Electricity Limited (PEL) (in no.s) held by the Company are pledged in favour of respective banks and financial institutions as guarantees for the loans taken by PEL.						
Shares pledged in favor of	2005	2006	2007	2008	2009	2009
Rural Electricity Corporation, Power Finance Corporation Limited, UCO Bank and Punjab National Bank	-	24,502,435	24,502,435	24,502,435	24,502,435	-
4. The Company during the year's 2003, 2004 and 2005 had invested an amount of Rs. 237.50 million representing 23,750,000 equity shares in Penna Electricity Limited (PEL) (formerly Arkay Energies Limited). The Company's equity holding as of 31 March 2003, 31 March 2004 and 31 March 2005 was 16%, 16% and 70%. The other investors had invested Rs 186.77 million in PEL, which was appearing as share application money pending allotment as of March 2005. Though the Company's outstanding investment as of March 31, 2005 represented 70% of the issued share capital, the Company did not have any control over PEL. The amount invested by the other shareholders was allotted shares in PEL in the subsequent year thereby reducing the Company's holding as of 31 March 2005 to 47% during the year 2005-06. Consequent to delays in allotment of shares to other investors, the Group's investment in PEL temporarily exceeded 50% of the issued capital as of 31 March 2005. Accordingly, consistent with the provisions of AS 21, which requires companies to exclude investees with respect to which control is temporary from the consolidation requirements, the results of operations were not consolidated. Since the Company, through its equity holding had significant influence over PEL until 31 March 2005, it has accounted for its investment in accordance with AS 23 on Investments in Associates under equity method.						

ANNEXURE – X						
DETAIL OF INVESTMENTS, AS RESTATED						
PARTICULARS	AS AT 31 MARCH					AS AT 31
	2005	2006	2007	2008	2009	DECEMBER
	2005	2006	2007	2008	2009	2009

Further, during the year ended 31 March 2006, the Company entered into an arrangement to sell its equity interest in PEL for an agreed consideration. Effective Fiscal 2007, the Company ceased equity accounting in PEL and this investment as an unquoted investment in the consolidated balance sheet. The Company had received a total amount of Rs 50 million and Rs. 190 million from Penna Cement Industries Limited, Pioneer Builders and Sriha Industries Limited (collectively referred to as “Purchasers”) during the fiscal years 2005 and 2006 respectively for the purpose of purchase of its investment in PEL. The Company’s shares in PEL were pledged with certain lenders towards the loan obtained by PEL. Pending repayment of the loans by PEL, the Company’s investment in PEL were not transferred to the Purchasers. Since the transfer and other formalities were not completed till 31 March 2009, the same was recorded as an advance towards sale of shares and disclosed under “Current Liabilities”. Since the transfer and other formalities were completed during the nine months period ended 31 December 2009, the investment balance has been adjusted against the advance towards sale of shares.

(In Rs. Million)

ANNEXURE – XI						
STATEMENT OF SUNDRY DEBTORS, AS RESTATED						
PARTICULARS	AS AT 31 MARCH				AS AT 31 DECEMBER	
	2005	2006	2007	2008	2009	2009
Unsecured, considered good						
Debts outstanding for a period exceeding six months from						
- Related parties	-	-	-	-	-	-
- Others	-	-	3.76	2.64	-	166.16
Total (A)	-	-	3.76	2.64	-	166.16
Others debts						
- Related parties	-	-	-	-	-	-
- Others	-	74.02	204.06	255.95	270.02	131.99
Total (B)	-	74.02	204.06	255.95	270.02	131.99
TOTAL	-	74.02	207.82	258.59	270.02	298.15

Note:

1. The above figures disclosed are as per the restated consolidated financial information of Ind-Barath Power Infra Limited.

(In Rs. Million)

ANNEXURE – XII						
STATEMENT OF LOANS AND ADVANCES, AS RESTATED						
PARTICULARS	AS AT 31 MARCH					AS AT 31
	2005	2006	2007	2008	2009	DECEMBER
						2009
<i>Considered good</i>						
Advances recoverable in cash or kind or for the value to be received						
Loans and advances:						
- Inter corporate deposits to group companies	27.02	95.51	159.43	184.28	128.59	164.41
- Loans and advances to others	14.16	25.76	55.84	150.41	608.86	307.08
Advance towards investments	17.97	69.59	15.42	6.36	9.50	1.68
Deposit	11.20	28.93	6.88	17.44	18.65	41.45
Inter corporate deposit	29.42	104.84	-	120.07	-	-
Loans to directors	8.22	34.40	7.66	24.07	27.68	31.83
Prepaid expenses	-	8.73	8.39	6.60	4.52	3.78
Advance tax and tax deducted at source, net	1.68	-	4.56	7.90	-	-
Customs duty paid under protest	-	-	-	3.14	3.14	3.14
MAT credit entitlement	-	-	30.09	27.34	114.38	217.95
<i>Considered doubtful</i>						
Loans and advances:						
- to others	-	-	-	-	-	93.36
Less: Provision for doubtful advances	-	-	-	-	-	(93.36)
TOTAL	109.67	367.76	288.27	547.61	915.32	771.32
Note:						
The figures disclosed above are based on the restated consolidated financial information of Ind-Barath Power Infra Limited.						
Particulars	2005	2006	2007	2008	2009	Dec 2009
<i>Loans and advances - to directors</i>						
K.Raghu Ramakrishna Raju	5.75	31.94	6.96	23.27	26.76	30.77
K.Rama Devi	2.47	2.46	0.70	0.80	0.92	1.06
Total	8.22	34.40	7.66	24.07	27.68	31.83

(In Rs. Million)

ANNEXURE – XIII		
DETAIL OF CONTINGENT LIABILITIES, AS RESTATED		
PARTICULARS	AS AT 31 MARCH 2009	AS AT 31 DECEMBER 2009
<u>CONTINGENT LIABILITIES</u>		
Guarantees issued by bank	123.94	268.37
Preference dividend (including dividend tax thereon)	0.16	0.26
Letters of credit outstanding	930.09	1,068.70
Demand from customs authorities	8.49	8.49
Total	1,062.68	1,345.82
<u>CAPITAL COMMITMENTS</u>		
Estimated amounts of contracts remaining unexecuted on capital account	18,145.25	23,727.43

Note:

1. The figures disclosed above are based on the restated consolidated financial information of Ind-Barath Power Infra Limited.

2. Also refer to Note 9 of Annexure V for details of other contingencies.

(In Rs. Million)

ANNEXURE – XIV		
CAPITALISATION STATEMENT		
PARTICULARS	PRE- ISSUE AS AT 31 December 2009	POST - ISSUE
Short term debt	3,284.08	
Long term debt (A)	6,673.38	
	9,957.46	
Shareholders funds		
Share capital	358.54	
Reserves and surplus	5,601.39	
Total shareholders funds (B)	5,959.93	
Long term debt/Equity (A/B)		1.12
Note:		
1. The figures disclosed above are based on the consolidated restated financial information of Ind-Barath Power Infra Limited.		

ANNEXURE – XV						
DETAILS OF THE LIST OF RELATED PARTIES AND NATURE OF RELATIONSHIPS						
Particulars	Year ended 31 March 2005	Year ended 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Period ended 31 December 2009
Key Management Personnel	K. Raghu Ramakrishna Raju	K. Raghu Ramakrishna Raju	K. Raghu Ramakrishna Raju	K. Raghu Ramakrishna Raju	K. Raghu Ramakrishna Raju	K. Raghu Ramakrishna Raju
	K. Rama Devi	K. Rama Devi	K. Rama Devi	K. Rama Devi	K. Rama Devi	K. Rama Devi
	D.Madhusudhana Reddy	D.Madhusudhana Reddy	D.Madhusudhana Reddy	D.Madhusudhana Reddy	D.Madhusudhana Reddy Dr.P.V.S. Jagan Mohan Rao	D.Madhusudhana Reddy Dr.P.V.S. Jagan Mohan Rao
Associates / Group Companies /Relatives & Associates of Key Management Personnel	Penna Electricity Limited	Penna Electricity Limited	Penna Electricity Limited	Penna Electricity Limited	Penna Electricity Limited	Penna Electricity Limited
	Ind-Barath Commodities Limited	Ind-Barath Commodities Limited	Ind-Barath Commodities Limited	Ind-Barath Commodities Limited	Ind-Barath Commodities Limited	Ind-Barath Commodities Limited
	NATL Power Limited	NATL Power Limited	Ind- Barath Green Power Limited	Ind- barath Power (Madras) Limited	Ind- barath Power (Madras) Limited	Ind- Barath Energies (Gujarat) Limited
	Sriba Agro Limited	Sriba Agro Limited	NATL Power Limited	Ind- Barath Energies (Gujarat) Limited	Ind- Barath Energies (Gujarat) Limited	Ind- barath Power (Konkan) Limited
	Sriba Seabase Private Limited	Sriba Seabase Private Limited	Sriba Agro Limited	Ind- barath Power (Konkan) Limited	Ind- barath Power (Konkan) Limited	NATL Power Limited
	Ind- Barath Energies Limited	Ind- Barath Power (Karwar) Limited	Sriba Seabase Private Limited	NATL Power Limited	NATL Power Limited	Sriba Agro Limited
	Dharmshala Hydro Power Limited	Ind- Barath Energies Limited	Raghu Rama Renewable Energy (Gujarat) Limited	Sriba Agro Limited	Sriba Agro Limited	Sriba Seabase Private Limited
	Ind-Barath Energies (Thoothukku di) Limited	Ind-Barath Power Gencom Limited	Ind- Barath Power (Karwar) Limited	Sriba Seabase Private Limited	Sriba Seabase Private Limited	Arkay Energy (utkal) Limited
		Ind- Barath Energies(Maharastra) Limited		Arkay Energy (utkal) Limited	Arkay Energy (utkal) Limited	Raghu Rama Renewable Energy (Gujarat) Limited
				Raghu Rama Renewable Energy (Gujarat) Limited	Raghu Rama Renewable Energy (Gujarat) Limited	Ind-Barath Power (Konkan) Limited (IBPKOL)
			IBEL Gas Power Limited	IBEL Gas Power Limited	Ind-Barath Power (Cudalore) Limited (IBPCL)	
Note 1: Above disclosures are made in accordance with Accounting Standard (AS) 18 "Related Parties" prescribed by the Companies (Accounting Standards) Rules, 2006						

(In Rs. Million)

ANNEXURE - XV (continued)							
DISCLOSURES OF SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES							
PARTICULARS	NATURE OF RELATIONSHIP	AS AT 31 MARCH					AS AT 31
		2005	2006	2007	2008	2009	DECEMBER
							2009
Sale of investments	Group Companies / Subsidiaries	-	-	129.04	-	-	-
Inter corporate deposits taken	Associates / Group Companies	23.19	-	38.83	28.22	283.09	1.83
Inter corporate deposits repaid	Associates / Group Companies	-	13.24	47.84	17.04	2.90	137.14
Inter corporate deposits given	Associates / Group Companies	27.02	68.63	158.23	26.81	39.69	45.87
Inter corporate deposits recovered	Associates / Group Companies	44.26	0.14	94.31	1.96	95.38	10.05
Sale of power	Group Companies	-	-	1.24	1.13	-	-
Remuneration and allowances to Directors	Key Management Personnel	-	-	0.01	45.44	50.70	41.04
Sale of shares	Key Management Personnel	-	-	11.65	-	-	-
Purchase of equity shares by	Key Management Personnel	-	-	90.12	-	-	-
Loans given	Key Management Personnel	8.22	26.19	-	16.40	-	-
Loans recovered	Key Management Personnel	-	-	26.74	-	-	-
Interest income	Relatives of Key Management Personnel	1.17	2.10	2.43	2.20	3.61	4.15

Note 1: The figures disclosed above are based on the consolidated restated financial information of Ind-Barath Power Infra Limited.

Note 2: Above disclosures are made in accordance with Accounting Standard (AS) 18 "Related Parties" prescribed by the Companies (Accounting Standards) Rules, 2006.

(In Rs. Million)

ANNEXURE - XV (continued)							
DETAILS OF RELATED PARTIES OUTSTANDING BALANCES							
Particulars	Nature of Relationship	AS AT 31 MARCH					AS AT 31
		2005	2006	2007	2008	2009	DECEMBER
							2009
Current assets, loans and advances	Associates / Group Companies	44.99	165.10	174.85	190.64	138.09	166.09
Current assets, loans and advances	Key Management Personnel	8.22	34.40	7.66	24.07	27.68	31.83
Inter corporate deposits included in unsecured loans	Associates / Group Companies	63.43	52.19	39.50	55.02	335.20	199.90

Note 1: The figures disclosed above are based on the consolidated restated financial information of Ind-Barath Power Infra Limited

Note 2: Above disclosures are made in accordance with Accounting Standard (AS) 18 "Related Parties" prescribed by the Companies (Accounting Standards) Rules, 2006.

(In Rs. Million)

ANNEXURE - XVI						
DETAILS OF DIVIDEND						
PARTICULAR	FOR THE YEAR ENDED 31 MARCH					PERIOD ENDED 31 DECEMBER
	2005	2006	2007	2008	2009	2009
Equity share capital	0.10	13.56	200.81	283.02	283.02	358.54
Face value (Rs.)	10	10	10	10	10	10
Rate of dividend %	-	-	-	-	-	-
Amount of dividend	-	-	-	-	-	-

Particulars	FOR THE YEAR ENDED 31 MARCH					PERIOD ENDED 31 DECEMBER
	2005	2006	2007	2008	2009	2009
Non-cumulative, non-convertible redeemable preference shares	-	74.00	74.00	74.00	74.00	74.00
Face value (Rs.)	-	10	10	10	10	10
Rate of dividend %	-	10%	10%	10%	10%	10%
Amount of dividend	-	-	-	-	-	-

Particulars	FOR THE YEAR ENDED 31 MARCH					PERIOD ENDED 31 DECEMBER
	2005	2006	2007	2008	2009	2009
Cumulative compulsorily convertible participatory redeemable preference shares	-	-	-	811.33	1,160.00	1,160.00
Face value (Rs.)	-	-	-	1,000	1,000	1,000
Rate of dividend %	-	-	-	0.01%	0.01%	0.01%
Amount of dividend	-	-	-	-	-	-

Particulars	FOR THE YEAR ENDED 31 MARCH					PERIOD ENDED 31 DECEMBER
	2005	2006	2007	2008	2009	2009
Cumulative compulsorily convertible participatory redeemable preference shares	-	-	-	-	-	2,833.33
Face value (Rs.)	-	-	-	-	-	100
Rate of dividend %	-	-	-	-	-	0.01%
Amount of dividend	-	-	-	-	-	-

Note:

1. The figures disclosed above are based on the consolidated restated financial information of Ind-Barath Power Infra Limited.

Auditors' Report

The Board of Directors
Ind-Barath Power Infra Limited

- 1 We have examined the attached restated financial information of Ind-Barath Power Infra Limited (formerly known as Ind-Barath Power Infra Private Limited) ('IBPIL' or 'the Company'), as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part II of Schedule II to the Companies Act, 1956, as amended ('the Act') and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the 'SEBI Regulations'), and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 30 April 2010 in connection with the proposed issue of equity shares of the Company.
- 2 These information have been extracted by the Management from the financial statements for the years ended 31 March 2005, 2006, 2007, 2008 and 2009 and from the condensed financial statements for the nine months period ended 31 December 2009. Audit of the financial statements for the years ended 31 March 2005 and 2006 was conducted by the previous auditors, M/s N Siva Prasad Associates, whose reports have been furnished to us and accordingly relied upon by us. The financial statements for the year ended 31 March 2007, 2008, 2009 and the condensed financial statements for the nine months period ended 31 December 2009 have been audited by us.
- 3 In accordance with the requirements of Paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, the Guidance note on 'Reports in Company's Prospectus (Revised) issued by the Institute of Chartered Accountants of India ('ICAI') to the extent applicable, and the terms of our engagement agreed with you, we further report that:
 - (a) The Restated Summary Statement of Assets and Liabilities of the Company as at 31 March 2005, 2006, 2007, 2008, 2009 and as at 31 December 2009 examined by us, as set out in Annexure I to this report read with the significant accounting policies and related notes in Annexure V are after making such adjustments and regroupings as in our opinion are appropriate and more fully described in Schedules to the Restated Summary Statements enclosed as Annexure IV to this report.
 - (b) The Restated Summary Statement of Profits and Losses of the Company for the years ended 31 March 2005, 2006, 2007, 2008, 2009 and for the nine months period ended 31 December 2009 are as set out in Annexure II to this report read with the significant accounting policies and related notes in Annexure V are after making such adjustments and regroupings as in our opinion are appropriate and more fully described in Schedules to the Restated Summary Statements enclosed as Annexure IV to this report.
 - (c) Based on the above, we are of the opinion that the restated financial information have been made after incorporating:
 - i. Adjustments for the changes in accounting policies retrospectively in respective financial years / period to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods.
 - ii. Adjustments for the material amounts in the respective financial years / period to which they relate.
 - iii. And there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.
 - (d) We have also examined the following financial information as set out in Annexures prepared by the Management and approved by the Board of Directors relating to the Company for the years ended 31 March 2005, 2006, 2007, 2008, 2009 and for the nine months period ended 31 December 2009.
 - i. Annexure III containing statement of cash flows, as restated;
 - ii. Annexure VI containing details of dividend;

- iii. Annexure VII containing statement of accounting ratios, as restated;
- iv. Annexure VIII containing details of other income, as restated;
- v. Annexure IX containing statement of secured loans, as restated;
- vi. Annexure X containing details of unsecured loans, as restated;
- vii. Annexure XI containing details of investments; as restated;
- viii. Annexure XII containing statement of sundry debtors; as restated;
- ix. Annexure XIII containing statement of loans and advances; as restated;
- x. Annexure XIV containing details of contingent liabilities, as restated;
- xi. Annexure XV containing capitalisation statement as at 31 December 2009;
- xii. Annexure XVI containing details of the list of related parties, transactions and balances outstanding with them; and
- xiii. Annexure XVII containing statement of tax shelter.

In our opinion, the above financial information contained in Annexure I to XVII of this report read along with the significant accounting policies and related notes (Refer Annexure V) and schedules to the Restated Summary Statements (Refer Annexure IV) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Paragraph B, Part II of Schedule II of the Act, the SEBI Regulations and the Guidance note on 'Reports in Company's Prospectus (Revised) issued by the Institute of Chartered Accountants of India ('ICAI') to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you.

Our report is intended solely for use of the Management and for inclusion in the draft offer document in connection with the proposed issue of equity shares of the Company. Our report should not to be used, referred to or distributed for any other purpose without our written consent.

for B S R & Co.
Chartered Accountants

Zubin Shekary
Partner
Membership No: 48814
Firm Registration Number: 101248W

Place :Hyderabad
Date : 31 May 2010

(In Rs. Million)

ANNEXURE – I						
STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED						
PARTICULARS	AS AT 31 MARCH					AS AT
	2005	2006	2007	2008	2009	31 DECEMBER 2009
1. FIXED ASSETS :						
a) Gross block	-	-	-	0.15	42.93	42.93
b) Less : Accumulated depreciation	-	-	-	0.01	2.13	3.83
c) Net block	-	-	-	0.14	40.80	39.10
d) Capital work-in-progress	-	-	-	41.41	-	-
Total	-	-	-	41.55	40.80	39.10
2. INVESTMENTS	458.92	708.51	1,452.76	2,988.06	4,449.03	7,762.07
3. CURRENT ASSETS, LOANS AND ADVANCES :						
a) Inventories	-	-	7.83	-	-	-
b) Sundry debtors	-	-	1.24	11.48	8.65	10.08
c) Cash and bank balances	0.89	0.80	0.80	304.13	8.41	4.11
d) Current assets, loans and advances	113.36	188.10	41.48	792.67	950.44	1,333.75
Total	114.25	188.90	51.35	1,108.28	967.50	1,347.94
4. LIABILITIES AND PROVISIONS :						
a) Secured loans	-	-	-	30.08	28.80	25.76
b) Unsecured loans	44.32	89.80	190.16	154.80	1,179.37	956.61
c) Current liabilities and provisions	157.56	279.28	286.49	369.80	283.14	29.35
Total	201.88	369.08	476.65	554.68	1,491.31	1,011.72
5. DEFERRED TAX LIABILITY, NET	-	-	-	0.30	10.92	5.15
6. SHARE HOLDERS' FUNDS (1 + 2 + 3 - 4 - 5)	371.29	528.33	1,027.46	3,582.91	3,955.10	8,132.24
7. SHARE CAPITAL						
a) Equity share capital	0.10	13.56	200.81	283.02	283.02	358.54
b) Preference share capital	-	74.00	74.00	885.33	1,234.00	4,067.33
8. SHARE APPLICATION MONEY PENDING ALLOTMENT	305.22	50.82	-	-	-	100.00
9. RESERVES AND SURPLUS	65.97	389.95	752.65	2,414.56	2,438.08	3,606.37
10. SHARE HOLDERS' FUNDS (7 + 8 + 9)	371.29	528.33	1,027.46	3,582.91	3,955.10	8,132.24

Note:

The above statement should be read with the significant accounting policies and notes to restated summary statements as appearing in Annexures IV and V.

(In Rs. Million)

ANNEXURE - II						
STATEMENT OF PROFITS AND LOSSES, AS RESTATED						
PARTICULARS	FOR THE YEAR ENDED 31 MARCH					FOR THE PERIOD ENDED 31 DECEMBER
	2005	2006	2007	2008	2009	2009
INCOME :						
Income from sale of electricity	-	-	-	-	5.56	5.76
Income from operations and maintenance and other services	-	-	17.37	69.27	29.56	3.09
Other income	4.65	2.20	2.48	59.45	112.08	4.25
Total	4.65	2.20	19.85	128.72	147.20	13.10
EXPENDITURE :						
Cost of materials supplied	-	-	-	23.91	3.49	-
Cost of services rendered	-	-	15.27	58.99	25.13	3.54
Personnel expenses	-	-	0.04	29.20	8.30	1.56
Administrative and other expenses	1.01	0.53	2.32	11.68	15.15	103.02
Interest and finance charges	2.99	0.26	-	-	42.80	81.90
Depreciation	-	-	-	0.01	2.11	1.71
Total	4.00	0.79	17.63	123.79	96.98	191.73
Profit before tax	0.65	1.41	2.22	4.93	50.22	(178.63)
Less: Provision for tax						
a) Current tax	0.23	0.48	11.80	0.39	16.06	-
b) Fringe benefit tax	-	-	-	0.09	0.01	-
c) Deferred tax	-	-	-	0.31	10.91	(6.09)
Total	0.23	0.48	11.80	0.79	26.98	(6.09)
Profit after tax, as restated	0.42	0.93	(9.58)	4.14	23.24	(172.54)
Add: Balance in profit and loss account brought forward, as restated	33.05	33.47	34.40	24.82	28.96	52.20
Amount available for appropriation	33.47	34.40	24.82	28.96	52.20	(120.34)
Balance carried forward to balance sheet, as restated	33.47	34.40	24.82	28.96	52.20	(120.34)
Note :						
1. The above statement should be read with the significant accounting policies and notes to restated summary statements as appearing in Annexures IV and V.						

(In Rs. Million)

ANNEXURE - III						
STATEMENT OF CASH FLOWS, AS RESTATED						
PARTICULARS	FOR THE YEAR ENDED 31 MARCH					FOR THE PERIOD ENDED 31 DECEMBER
	2005	2006	2007	2008	2009	2009
A) Cash flow from operating activities:						
Net profit/ (loss) before tax, as restated	0.65	1.41	2.22	4.93	50.22	(178.63)
Adjustments for:						
Depreciation	-	-	-	0.01	2.11	1.71
Interest income	(4.65)	(2.20)	(2.48)	(33.06)	(3.98)	(4.15)
Preference dividend	-	-	-	(15.87)	-	-
Income from mutual funds	-	-	-	(9.08)	(1.71)	(0.10)
Finance charges	2.99	0.26	-	-	42.80	81.90
Unrealised foreign exchange (gain) / loss	-	-	-	(1.44)	(105.83)	64.08
Operating profit before changes in working capital	(1.01)	(0.53)	(0.26)	(54.51)	(16.39)	(35.19)
Adjustments for:						
(Increase) / decrease in inventories	-	-	(7.83)	7.83	-	-
(Increase) / decrease in trade receivables	-	-	(1.24)	(10.25)	2.84	(1.43)
(Increase) / decrease in loans and advances	(34.58)	156.69	91.48	(27.68)	(12.69)	(14.59)
Increase / (decrease) in current liabilities and provisions	137.97	121.52	(1.11)	84.15	(98.93)	(13.77)
	102.38	277.68	81.04	(0.46)	(125.17)	(64.98)
Adjustments for:						
Income tax (paid) / refunded	(1.68)	0.49	(1.08)	(8.27)	(4.67)	(12.50)
Fringe benefit tax paid	-	-	-	-	(0.09)	(0.01)
Net cash flow generated from/ (used in) operating activities [A]	100.70	278.17	79.96	(8.73)	(129.93)	(77.49)
B) Cash flow from investing activities:						
Purchase of fixed assets	-	-	-	(41.49)	(1.36)	-
Purchase of investments	(339.56)	(424.56)	(414.02)	(2,332.03)	(1,520.06)	(3,703.54)
Proceeds from sale of investments	-	-	-	200.00	460.79	-
Interest received	4.65	2.20	2.48	28.50	8.45	4.15
Dividend received	-	-	-	15.87	-	0.10
Inter corporate deposits given to subsidiaries	-	-	(22.52)	(8.55)	-	(206.44)
Loans to foreign subsidiary	-	-	-	(104.09)	(462.79)	(68.41)
Inter corporate deposits recovered from subsidiaries	-	-	70.68	7.95	20.00	-
Net cash flow used in investing activities [B]	(334.91)	(422.36)	(363.38)	(2,233.84)	(1,494.97)	(3,974.14)

ANNEXURE - III						
STATEMENT OF CASH FLOWS, AS RESTATED						
PARTICULARS	FOR THE YEAR ENDED 31 MARCH					FOR THE
	2005	2006	2007	2008	2009	PERIOD ENDED 31 DECEMBER 2009
C) Cash flow from financing activities:						
Proceeds from issue of share capital	254.25	156.10	179.05	2,551.29	348.68	4,350.00
Term loans taken	-	-	-	30.00	-	(3.00)
Repayment of term loans	-	-	-	-	(1.50)	-
Interest paid	(2.99)	(0.26)	-	-	(36.56)	(87.95)
Unsecured loans and inter corporate deposits taken	-	-	160.72	14.52	1,112.09	294.69
Repayment of unsecured loans and inter corporate deposits	(16.68)	(11.74)	(56.35)	(49.91)	(93.53)	(506.41)
Net cash flow from financing activities [C]	234.58	144.10	283.42	2,545.90	1,329.18	4,047.33
Net Increase / (decrease) in cash and cash equivalents [A+B+C]	0.37	(0.09)	0.00	303.33	(295.72)	(4.30)
Cash and cash equivalents at the beginning of the year / period	0.52	0.89	0.80	0.80	304.13	8.41
Cash and cash equivalents at the end of the year / period	0.89	0.80	0.80	304.13	8.41	4.11
Note:						
1. The cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements as prescribed under by the Companies (Accounting Standards) Rules, 2006.						

(In Rs. Million)

ANNEXURE - IV						
SCHEDULES TO RESTATED SUMMARY STATEMENTS						
PARTICULARS	FOR THE YEAR ENDED 31 MARCH					FOR THE PERIOD ENDED 31 DECEMBER
	2005	2006	2007	2008	2009	2009
Profit after tax as per audited profit and loss account	0.42	(1.33)	0.69	3.53	20.87	(182.08)
Adjustments on account of:						
1) Income tax	-	2.26	(10.27)	-	2.24	10.27
2) Provision no longer required written back	-	-	-	0.91	0.20	(1.11)
3) Deferred tax impact	-	-	-	(0.30)	(0.07)	0.38
	-	-	-	-	-	-
Profit / (losses) as per statement of profits and losses, as restated	0.42	0.93	(9.58)	4.14	23.24	(172.54)
1) Prior period items						
During the year ended 31 March 2006 and 2009 and the nine month period ended 31 December 2009, the Company had accrued/ paid an amount of Rs.2.26 million and Rs.2.24 million towards income tax dues pertaining to the Assessment Year 2001-02 and Rs.10.27 million in Assessment Year 2007-08. These payments were reflected as a prior period item in the Profit and Loss Account for the year ended 31 March 2006, 2007, 2009 and 31 December 2009. As part of this restatement, this prior period item was appropriately adjusted to the opening balance of Reserves and Surplus and the corresponding liability balance.						
2) Provision no longer required written back						
The Company had recorded the excess provision for gratuity, leave encashment and bonus during the years ended 31 March 2008 and 2009 amounting to Rs. 0.91 million and Rs. 0.2 million respectively. The over accrued liabilities were reversed during the nine months ended 31 December 2009 as "Provision no longer required written back". As part of this restatement, profits for the years ended 31 March 2008 and 2009 were appropriately adjusted.						
3) Deferred tax impact on above restatement adjustments						
Represents the tax impact on the above mentioned restatement adjustments.						

ANNEXURE – V

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE RESTATED SUMMARY STATEMENTS OF ASSETS AND LIABILITIES, PROFITS AND LOSSES AND CASH FLOWS, AS RESTATED UNDER INDIAN GAAP, FOR IND-BARATH POWER INFRA LIMITED

A. Background

The restated summary statement of assets and liabilities of Ind-Barath Power Infra Limited (formerly Ind-Barath Power Infra Private Limited) ('IBPIL' or 'the Company') as at December 31, 2009, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 and the related restated summary statement of profits and losses and cash flows for years/period ended on that date (hereinafter collectively referred to as "Restated Summary Statements") relate to Ind-Barath Power Infra Limited ("the Company") and have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with its proposed Initial Public Offering.

These Restated Summary Statements have been prepared to comply in all material respects with the requirements of Schedule II to the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "Regulations").

B. Statement of significant accounting policies adopted by the Company in preparation of financial statements as at and for the nine months period ended 31 December 2009

a) Basis of preparation of financial statements

The financial statements of Ind-Barath Power Infra Limited (formerly Ind-Barath Power Infra Private Limited) ("IBPIL" or "the Company") have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India. Indian GAAP comprises accounting standards notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956, other pronouncements of Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements are presented in Indian rupees.

b) Use of estimates

The preparation of financial statements in conformity with GAAP in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenue and expenses for the year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

c) Revenue recognition

Revenue from the sale of electricity is recognised on the accrual basis in accordance with the terms of power purchase agreement ("PPA") entered into by the Company with its customers.

Mobilisation fee: Revenue from mobilisation fees are recognized on a straight line basis over the period of the operations and maintenance agreement. Amounts received in advance have been disclosed as deferred revenue.

Operation and maintenance fees: Revenue from operations and maintenance service is recognized as per the terms of the contract with the customers as the related services are performed.

Dividend income is recognized when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognized on the time proportionate method using the underlying interest rates.

d) Investments

Long-term investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment.

e) Fixed assets and depreciation

Fixed assets are stated at cost, less accumulated depreciation. The cost of fixed assets comprises the purchase price, taxes, duties, freight and any other directly attributable costs of bringing the assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets acquired but not ready for their intended use before such date are disclosed as capital work-in-progress.

Depreciation on fixed assets is provided using the straight line method at the rates specified in Schedule XIV to the Companies Act, 1956 as the management believes that these rates reflect their estimates of the useful lives of these assets. Depreciation is calculated on a pro-rata basis from the date of installation till the assets are sold or disposed.

Individual assets costing less than Rs 5,000 are depreciated in full in the year of purchase.

f) Employee benefits

Provision for gratuity and leave encashment cost, which are defined benefit schemes, are charged to the profit and loss account based on actuarial valuations at the balance sheet date, carried out by an independent actuary. All actuarial gains and losses arising during the year are recognized in the profit and loss account of the year.

g) Taxation

Income tax expense comprises current tax, deferred tax and fringe benefit tax.

Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income, which originate during the year but reverse in subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written-down or written-up to reflect the amount that is reasonably / virtually certain to be realized.

The break-up of the major components of the deferred tax assets and liabilities as at the balance sheet date has been arrived at after setting-off deferred tax assets and liabilities where the Company has a legally enforceable right and an intention to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

h) Earnings per share

The basic earnings per share ("EPS") is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). In computing dilutive earnings per share, only potential equity shares that are dilutive and that either reduce earnings per share or increase loss per share are included.

Dilutive preference shares, which are convertible based on future contingencies have been considered for diluted EPS computation based on an if converted basis as of the balance sheet as if the reporting date is the date when contingency is resolved. Effect of dilution of issued and outstanding warrants have been considered based on the treasury stock method.

i) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that any assets forming part of its cash generating units may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the reassessed recoverable amount subject to a maximum of depreciated historical cost.

j) Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the profit and loss account.

Monetary assets and liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resultant exchange differences are recognised in the profit and loss account. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

k) Provisions and contingent liabilities

The Company recognizes a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

C. Notes to Restated Financials

1. Issue of warrants to shareholders

(a) Pursuant to the Investment Agreement between the Company and its members dated 21 October 2009, the Company agreed to issue, allot and deliver warrants to Sriba Seabase Private Limited (Sriba) against a consideration of Rs. 500 million, of which an amount of Rs. 100 million, was to be paid in advance.

Subsequently, pursuant to the approval of shareholders on 14 October 2009, on 9 November 2009, the Board of Directors of the Company proposed the issue of warrants to Sriba, which shall be convertible into 2,265,641 (pre bonus 888,487) equity shares therein. Consequently Sriba paid the initial subscription amount of Rs. 100 million, which has been disclosed as share application money, pending allotment, in the financial statements as of 31 December 2009.

Further, the terms of the above warrants proposed to be issued were amended vide the resolutions of the Board of Directors dated 6 May 2010 and 15 May 2010 and of the shareholders as on 10 May 2010. The Company accordingly in May 2010 issued 100,000 convertible warrants to Sriba, which entitles them to convert these warrants into a minimum of 2,265,641 (pre bonus 888,487) and a maximum of 2,728,076 (pre bonus 1,069,834) equity shares for a total consideration of Rs. 500.00 million. Warrants once allotted would be required to be converted into equity shares within the 'warrant conversion period' valid until earlier of (a) filing of the Prospectus, and (b) 29 November 2010.

(b) Pursuant to the resolutions of the Board of Directors dated 6 May 2010 and 15 May 2010 and of the shareholders as on 10 May 2010, the Company issued 100,000 convertible warrants to K. Raghu, which entitles him to convert these warrants into a minimum of 1,551,093 (pre bonus 608,272) equity shares or a maximum of 3,816,735 (pre bonus 1,496,759) equity shares, for a consideration of Rs. 324.31 million. Warrants once allotted would be required to be converted into equity shares within the 'warrant conversion period' valid until earlier of (a) filing of the Prospectus, and (b) 29 November 2010.

The number of equity shares to be issued against conversion of both these warrants will be appropriately adjusted for any stock splits, consolidation, bonus or other corporate actions.

2. Stock option Plan

Pursuant to the resolution of the Compensation Committee dated May 15, 2010 and of the shareholders on 10 May 2010, the Company approved the IBPIL Employee Stock Option Plan-2010 ("the ESOP Plan") under which 1,245,122 (pre bonus 488,283) stock options were set aside, each convertible into 1 equity share each, from time to time, being not more than 1.02% of the fully diluted paid-up equity share capital of the Company at any point in time. Under the ESOP Plan options can be granted to only such persons who are in permanent employment of the Company and certain consolidated subsidiaries, whether working in or outside of India and the Directors of the Company, whether whole time or otherwise, other than the promoters of the Company or a Director, who by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed equity shares of the Company. The vesting period under the ESOP Plan would range from one year to four years and will be subject to certain performance conditions, which may be specified under the terms of each of the grants. The exercise period for the options will be within a period of 3 years from the date of vesting. Under the ESOP Plan, the Compensation Committee of the Board ('the Committee') or the Board of Directors shall administer the ESOP Plan. The Committee

shall determine the employees eligible for receiving the options, the number of options to be granted, the exercise price, the vesting period and the exercise period.

There are no outstanding stock options as of 31 December 2009.

3. Share investments in the Company

Series I Investment in June and July 2007

During the year ended 31 March 2008, the Company entered into 2 investment agreements i.e. one with CVCI Series – I Investors (as defined below); and the other with UTI Venture Funds Management Company Private Limited (hereinafter collectively referred to as “the Series I Investors”), for the subscription and allotment of equity shares (face value of Rs. 10 each) and the Class A preference shares (face value Rs. 1,000 each). The below mentioned table depicts the total equity shares and preference shares that have been issued to the investors, under these agreements:

Investors	Equity capital		Preference capital	
	Number of shares	Amount (In Rs. millions)	Number of shares	Amount (In Rs. millions)
CVCIGP II Client Rosehill Limited, CVCIGP II Employee Rosehill Limited, Gautam Nayak and Keshav Bhujle (acting as trustees of the following trusts: <i>CVCIGP II Vivek Chhachhi Trust,</i> <i>CVCIGP II Vinayak Shenvi Trust,</i> <i>CVCIGP II P.R. Srinivasan Trust,</i> <i>CVCIGP II Ajay Relan Trust,</i> <i>CVCIGP II Jayanta Kumar Basu Trust)</i> Jointly referred to as CVCI Series – I Investors	18,072,732 (pre bonus 7,087,346)	1,500.00	1,000,000	1,000.00
UTI Venture Funds Management Company Private Limited - <i>A/C Ascent India Fund</i> (UTI)	2,891,705 (pre bonus 1,134,002)	240.00	1,600,000	160.00

Conversion of Class A preference shares:

- As per the terms of the agreement, these preference shares shall convert into equity shares of the Company immediately prior to the Company making an IPO, or on exercise of the warrants as mentioned above.
- Both the agreements mention that, if at the time of conversion, the Company achieves the financial closure of the approved power projects with a capacity of between 0 MW and 130 MW, then the preference shares held by the respective investors shall convert into equity shares as follows:

Capacity (MW)	Number of equity shares	
	CVC Series I Investors	UTI
0	6,311,112 (pre bonus 2,474,946)	1,009,751 (pre bonus 395,981)
130	4,190,779 (pre bonus 1,643,443)	670,525 (pre bonus 262,951)

Further, the agreements also mention that the Company shall issue certain warrants to the respective Series I Investors, which shall represent their rights to subscribe for additional equity shares either in the Company or in its subsidiaries. These warrants are exercisable at the option of the Investors, if the price per equity share at which the Company proposes to make an IPO is less than the price which provides the Investors with an Internal Rate of Return (IRR) of less than 25% on their aggregate investments (i.e., both equity and preference share capital).

On the exercise of such warrants, the Series I Investors will be eligible to receive such number of additional equity shares, which would provide the Series I Investors with the required IRR of 25% per annum (on their aggregate

investment) based on the price at which the IPO is made. However, the number of shares to be issued to both the investors is subject to a maximum number of shares depending on a specified percentage of post issue total number of issued shares.

In the case of CVC Series I Investors such additional equity shares to be issued on exercise of warrants shall be restricted to 10% of the post issue diluted share capital and in the case of UTI such additional equity shares to be issued on exercise of warrants shall be restricted to 1.5% of the post issue diluted share capital.

The above conversion terms for both the CVC Series I Investment and UTI Investment were amended vide the Investment agreement dated 21 October 2009 (Series II Investment Agreement) and the warrants issued to the investors also lapsed as per the terms of the Series II Investment Agreement.

Subsequently, - on 31 May 2010, the Company signed an amendment to the investment agreement dated 21 October 2009. Pursuant to such amendment agreement, 34,315 Class A Preference Shares were converted into 4,861,304 (pre bonus 1,906,394) equity shares. The balance shares were to be converted based on the final IPO valuation within an agreed range.

The effect of the above amendment agreement, which alters the conversion requirements post the balance sheet date has not been considered for the purpose of computing diluted earnings per share.

Series II Investments in October 2009

During the nine month period ended 31 December 2009, the Company entered into another investment agreement for further subscription and allotment of equity shares (face value of Rs 10 each) and the Class B preference shares (face value of Rs. 100 each). The below mentioned table depicts the total equity shares and preference shares that have been issued to the below mentioned investors, under these agreements:

Investor	Equity capital		Preference capital	
	Number of shares	Amount (In Rs. million)	Number of shares	Amount (In Rs. million)
Sequoia Capital India Growth Investment Holdings II (Sequoia)	8,382,875 (pre bonus 3,287,402)	616.65	12,333,333	1,233.33
Bessemer Venture Partners Trust (Bessemer)	5,210,976 (pre bonus 2,043,520)	383.32	7,666,667	766.67
CVCIGP II Client Ebene Limited, CVCIGP II Employee Ebene Limited and <i>Gautam Nayak and Keshav Bhujle (as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Ajay Tandon Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Siva Shankar Trust) " hereafter)</i>	5,664,103 (pre bonus 2,221,217)	416.66	8,333,333	833.33
Total	19,257,954 (pre bonus 7,552,139)	1,416.63	28,333,333	2,833.33

Conversion of Class B preference shares:

- As per the terms of the agreements these preference shares shall convert into equity shares of the Company immediately prior to the Company making an IPO, or on occurrence of other events mentioned in the agreement, whichever happens earlier;
- These preference shares shall convert into such number of equity shares as will provide the above mentioned Investors, an amount equal to higher of IRR 18% per annum or 1.67 times the aggregate investments made by them (i.e., aggregate of equity and preference capital investment).

Subsequent to the balance sheet on 31 May 2010, the Company signed an amendment to the above original investment agreement thereby fixing the minimum and maximum number of shares to be issued depending on the final IPO valuation.

The effect of the above amendment agreement, which alters the conversion requirements post the balance sheet date has not been considered for the purpose of computing diluted earnings per share.

4. Litigations and contingencies as of 31 December 2009

Ind Barath Power Infra Limited - Income tax matters

The Company received a demand from the Deputy Commissioner of Income Tax, Circle-2(1), Hyderabad (“Deputy Commissioner”) under section 156 of the Income Tax Act, 1951 on 29 December 2009, demanding a sum of Rs. 10,266,987 for the assessment year 2007-08. The tax authorities have claimed that the Company received certain unsecured loans from one of its subsidiary, IBEL, which in accordance with the Income Tax Act, 1951 is constructed as “deemed dividend” and is subject to tax. Although the Company has preferred an appeal against the said order of the Deputy Commissioner on 8 February 2010, necessary accruals have been established with regard to this income-tax contingency in the financial statements.

5. Bonus issue

Subsequent to 31 December 2009, the Company in its Extra Ordinary General Meeting held on 10 May 2010 approved the issue of bonus shares to its existing shareholders in the ratio of 155 equity shares for every 100 equity shares outstanding.

Pursuant to bonus issue, the weighted average number of equity shares and the earnings per share information for all periods presented have been adjusted in accordance with AS – 20 “Earnings Per Share” notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956. All references to number of equity shares and price per share has been adjusted for the effect of bonus issue for all periods presented. All references to number of equity shares and price per share has been adjusted for the effect of bonus issue for all periods presented.

(In Rs. Million)

ANNEXURE - VI						
DETAILS OF DIVIDEND						
PARTICULARS	FOR THE YEAR ENDED 31 MARCH					PERIOD ENDED
	2005	2006	2007	2008	2009	31 DECEMBER
						2009

Equity share capital	0.10	13.56	200.81	283.02	283.02	358.54
Face value (Rs.)	10	10	10	10	10	10
Rate of dividend %	-	-	-	-	-	-
Amount of dividend	-	-	-	-	-	-

PARTICULARS	FOR THE YEAR ENDED 31 MARCH					PERIOD ENDED
	2005	2006	2007	2008	2009	31 DECEMBER
						2009
10% Non-cumulative, non-convertible redeemable preference shares	-	74.00	74.00	74.00	74.00	74.00
Face value (Rs.)	-	10	10	10	10	10
Rate of dividend %	-	-	-	-	-	10.00
Amount of dividend	-	-	-	-	-	-

PARTICULARS	FOR THE YEAR ENDED 31 MARCH					PERIOD ENDED
	2005	2006	2007	2008	2009	31 DECEMBER
						2009
0.01% Cumulative compulsorily convertible participatory redeemable preference shares	-	-	-	811.33	1,160.00	1,160.00
Face value (Rs.)	-	-	-	1,000	1,000	1,000
Rate of dividend %	-	-	-	-	-	0.01
Amount of dividend	-	-	-	-	-	-

PARTICULARS	FOR THE YEAR ENDED 31 MARCH					PERIOD ENDED
	2005	2006	2007	2008	2009	31 DECEMBER
						2009
0.001% Cumulative compulsorily convertible participatory redeemable preference shares	-	-	-	-	-	2,833.33
Face value (Rs.)	-	-	-	-	-	100
Rate of dividend %	-	-	-	-	-	0.001
Amount of dividend	-	-	-	-	-	-

Note:

The figures disclosed above are based on the restated financial information of Ind Barath Power Infra Limited.

(In Rs. Million)

ANNEXURE - VII						
STATEMENT OF ACCOUNTING RATIOS, AS RESTATED						
PARTICULARS	AS AT 31 MARCH					FOR THE PERIOD ENDED
	2005	2006	2007	2008	2009	31 DECEMBER
						2009
Net worth (A) (Excluding share application money pending allotment and preference share capital)	66.07	403.51	953.46	2,697.58	2,721.10	3,964.91
Restated profit after tax (B)	0.42	0.93	(9.58)	4.14	23.24	(172.54)
Weighted average number of equity shares outstanding during the year / period						
- For basic earnings per share (C)	25,500	25,500	27,397,348	67,678,966	72,170,516	75,494,492
- For diluted earnings per share (D)	1,051,443	543,773	27,397,348	70,471,127	87,186,711	89,943,388
Earnings Per Share of Rs. 10 each						
- Basic earnings per share (Rs.) (E)	16.44	36.67	(0.35)	0.06	0.32	(2.29)
- Diluted earnings per share (Rs.) (F)	0.40	1.72	(0.35)	0.06	0.27	(2.29)
Return on net worth (%) (G - B/A)	0.64%	0.23%	-1.01%	0.15%	0.85%	-4.35%
Number of Shares outstanding at the end of the year / period (H)	25,500	3,457,800	51,206,078	72,170,516	72,170,516	91,428,470
Net Assets Value per share of Rs. 10 each (I - A/H) (refer Note 1(c))	2,591.17	116.70	18.62	37.38	37.70	43.37
Notes:						
1. The above ratios are calculated as under:						
a) Earnings per share = Net profit after tax, as restated / Weighted average number of shares as at year or period end.						
b) Return of Net worth (%) = Net profit after tax, as restated / Net worth						
"Net worth" means the sum total of the paid-up equity share capital and free reserves						
"Free reserves" means all reserves created out of the profits and share premium account but does not include reserves created out of revaluation of assets, write back of depreciation provisions and amalgamation;						
c) Net asset value (Rs.) = Net worth as restated / Number of equity shares as at year or period end.						
2. The figures disclosed above are based on the restated financial information of Ind-Barath Power Infra Limited.						
3. Subsequent to the balance sheet date, the Company in its Extra Ordinary General Meeting held on 10 May 2010 issued bonus shares to its existing shareholders in the ratio of 155 equity shares for every 100 equity shares outstanding. Pursuant to bonus issue, the weighted average number of equity shares and the earnings per share information for all periods presented have been adjusted in accordance with AS – 20 "Earnings Per Share" notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956.						
4. Earning per shares (EPS) calculation are done in accordance with Accounting Standard 20 "Earnings per share" prescribed by the Companies (Accounting Standards) Rules, 2006.						

(In Rs. Million)

ANNEXURE - VIII						
DETAILS OF OTHER INCOME, AS RESTATED						
PARTICULARS	FOR THE YEAR ENDED 31					FOR THE PERIOD ENDED
	MARCH					31 DECEMBER
	2005	2006	2007	2008	2009	2009
Dividend received on investment in preference shares	-	-	-	15.87	-	-
Dividend from mutual funds	-	-	-	9.08	1.71	0.10
Interest income	4.65	2.20	2.48	33.06	3.98	4.15
Foreign exchange gain, net	-	-	-	1.44	106.39	-
Total	4.65	2.20	2.48	59.45	112.08	4.25

Note:

The figures disclosed above are based on the restated financial information of Ind-Barath Power Infra Limited.

(In Rs. Million)

ANNEXURE - IX						
STATEMENT OF SECURED LOANS, AS RESTATED						
PARTICULARS	AS AT 31 MARCH					AS AT
	2005	2006	2007	2008	2009	31 DECEMBER
						2009
Term loan from banks	-	-	-	30.00	28.50	25.50
Interest accrued and due	-	-	-	0.08	0.30	0.26
Total	-	-	-	30.08	28.80	25.76

Note:

The figures disclosed above are based on the restated financial information of Ind-Barath Power Infra Limited.

ANNEXURE - IX (continued)						
STATEMENT OF SECURED LOANS, AS RESTATED (continued)						
<u>Term loans</u>						
<i>(In Rs. Million)</i>						
S. No.	Bank	Amount sanctioned	Amount outstanding as of 31 December 2009	Rate of interest	Repayment terms	Security offered
1	Allahabad Bank	30.00	25.76	12.25% (PLR minus 1%)	Repayable in 20 quarterly installments of Rs 15 lacs each commencing from March, 2009.	Exclusive charge on the assets (both moveable and immoveable) of the specific project (1) Wind Power Project, Kerala and (2) Personal Guarantee of Sri K Raghu Ramakrishna Raju.
Total		30.00	25.76			

(In Rs. Million)

ANNEXURE - X						
DETAILS OF UNSECURED LOAN, AS RESTATED						
PARTICULARS	AS AT 31 MARCH					AS AT
	2005	2006	2007	2008	2009	31
						DECEMBER
						R
						2009
Inter corporate deposits from promoter group and group companies of promoters	-	37.56	127.92	92.56	755.11	913.37
Unsecured loans from others	44.32	52.24	62.24	62.24	424.26	43.24
Total	44.32	89.80	190.16	154.80	1,179.37	956.61
Rate of interest on promoters group loans	0%	0%	0%	0%	0%	0%
Rate of interest on other loans	0%	0%	0%	0%	16%to21%	0%

Notes:

1. The figures disclosed above are based on the restated financial information of Ind-Barath Power Infra Limited.

2. The above loans are interest free, unless otherwise specified and are repayable on demand, except unsecured loan amounting to Rs.305.35 million as at 31 March 2009, included in "Unsecured loans from others" above. The same is repayable within 12 months from the date of first disbursement.

(In Rs. Million)

ANNEXURE - XI						
DETAIL OF INVESTMENT, AS RESTATED						
PARTICULARS	AS AT 31 MARCH					AS AT 31 DECEMBER
	2005	2006	2007	2008	2009	2009
<i>Long term investment unless otherwise stated</i>						
Unquoted - in subsidiary companies						
I. Equity shares (fully paid up)						
Arkay Energy (Rameswaram) Limited	175.00	404.56	410.00	410.00	540.83	581.13
Dharmasala Hydro Power Limited	6.17	8.67	87.30	138.28	154.78	171.94
Ind-Barath Energies Limited	17.37	17.37	75.84	75.84	75.84	75.84
Ind-Barath Power Gencom Limited	-	-	64.90	550.90	1,096.54	1,581.94
Ind-Barath Energies (Thoothukkudi) Limited	-	-	156.59	156.59	156.59	156.59
Ind-Barath Energies (Maharashtra) Limited	-	-	72.90	192.57	192.57	192.57
Ind-Barath Power (Karwar) Limited	-	-	-	210.00	1,292.60	1,292.60
Ind-Barath Green Power Limited	-	-	-	0.60	0.60	0.60
P T Ind Bharath Energy	-	-	-	6.06	6.04	6.04
Raghu Rama Renewable Energy Limited	-	10.00	181.27	181.27	181.27	181.27
Ind-Barath Power (Madras) Limited	-	-	-	-	-	3.50
NATL Power Limited	9.57	9.57	-	-	-	-
Sriba Agro Limited	6.16	6.16	-	-	-	-
Sriba Seabase Private Limited	-	-	-	-	-	-
NATL Technologies Limited	7.15	7.16	-	-	-	-
Ind-Barath Energy (Utkal) Limited	-	-	-	-	140.10	3,151.80
Ind-Barath Energy (Chattisgarh) Limited	-	-	-	-	4.40	4.40
Unquoted - in associates/ group companies						
Penna Electricity Limited	237.50	245.02	245.02	245.02	245.02	-
II. Preference shares (fully paid up) in subsidiary companies						
Arkay Energy (Rameswaram) Limited	-	-	158.94	361.85	361.85	361.85
III. Current investments (short term) in mutual fund units						
Investments in HDFC CMF Savings Plus Plan	-	-	-	459.08	-	-
Total	458.92	708.51	1,452.76	2,988.06	4,449.03	7,762.07
Aggregate book value of unquoted investments	458.92	708.51	1452.76	2528.98	4449.03	7762.07
Aggregate book value of current investments in mutual funds	-	-	-	459.08	-	-
Aggregate market value of current investments in mutual funds	-	-	-	459.08	-	-
Notes:						
1. The above figures disclosed are as per the restated financial information of Ind-Barath Power Infra Limited.						
2. The following number of equity shares held by the Company are pledged in favour of respective banks and financial institutions as guarantees for the loans taken by subsidiaries and associates						
Name of subsidiaries - Shares pledged in favor of	2005	2006	2007	2008	2009	2009
Dharmasala Hydro Power Limited - Indian Renewable Energy Development Agency Limited	-	160,000	3,870,000	4,700,000	4,700,000	4,700,000
Ind-Barath Energies Limited - UCO Bank	-	1,737,000	3,660,000	3,660,000	-	-
Ind-Barath Energies (Maharashtra) Limited - Industrial Development Bank of India Limited	-	-	6,600,000	7,290,000	7,290,000	7,290,000
Ind-Barath Energies (Thoothukkudi) Limited - UCO Bank	-	-	6,305,700	10,000,000	10,000,000	10,000,000
Ind-Barath Power Gencom Limited - Infrastructure Development Finance Company Limited	-	-	-	53,963,100	109,653,000	109,653,000
Arkay Energy (Rameswaram) Limited - Infrastructure Development Finance Company Limited	-	40,456,400	41,000,000	41,000,000	41,000,000	41,000,000
Raghu Rama Renewable Energy Limited - UCO Bank	-	-	11,030,000	11,030,000	11,030,000	11,030,000
Ind-Barath Power (Karwar) Limited - IL & FS Trust Company Limited	-	-	-	-	128,500,000	128,500,000

ANNEXURE - XI						
DETAIL OF INVESTMENT, AS RESTATED						
PARTICULARS	AS AT 31 MARCH					AS AT
	2005	2006	2007	2008	2009	31 DECEMBER
	2005	2006	2007	2008	2009	2009
Associates - Shares pledged in favor of						
Penna Electricity Limited - Power Finance Corporation Limited	-	24,502,435	24,502,435	24,502,435	24,502,435	-

(In Rs. Million)

ANNEXURE - XII						
STATEMENT OF SUNDRY DEBTORS, AS RESTATED						
PARTICULARS	AS AT 31 MARCH					AS AT
	2005	2006	2007	2008	2009	31 DECEMBER
						2009
Unsecured, considered good						
Debts outstanding for a period exceeding six months from						
- Related parties	-	-	-	-	-	8.54
- Others	-	-	-	-	-	-
Total (A)	-	-	-	-	-	8.54
Other debts						
- Related parties	-	-	1.24	11.48	8.65	1.18
- Others	-	-	-	-	-	0.36
Total (B)	-	-	1.24	11.48	8.65	1.54
TOTAL (A+B)	-	-	1.24	11.48	8.65	10.08

Notes:

1. The figures disclosed above are based on the restated financial information of Ind-Barath Power Infra Limited.

2. The following are the balances of the related parties included in the above

NAME OF THE PARTY	AS AT 31 MARCH					AS AT 31 DECEMBER
	2005	2006	2007	2008	2009	2009
Raghurama Renewable Energy Limited	-	-	1.24	8.32	8.62	8.54
Ind Barath Energies Limited	-	-	-	3.16	0.03	1.18
Total	-	-	1.24	11.48	8.65	9.72

(In Rs. Million)

ANNEXURE - XIII						
STATEMENT OF LOANS AND ADVANCES AS RESTATED						
PARTICULARS	AS AT 31 MARCH					AS AT
	2005	2006	2007	2008	2009	31 DECEMBER
						2009
Advances recoverable in cash or kind or for the value to be received						
Loans and advances to:						
- foreign subsidiary	-	-	-	105.02	647.57	656.45
- directors of the company	8.22	33.88	7.66	24.07	27.68	31.83
- others	10.22	27.29	2.33	14.59	25.34	34.67
- Advances towards investments (Note 2)	36.80	69.60	25.13	511.38	233.82	375.93
Inter corporate deposits						
- group companies (including subsidiaries and associate)	41.20	56.31	5.41	5.08	6.58	212.92
- others	15.24	-	-	120.07	-	-
Protest amount paid	-	-	-	-	-	-
Deposit with Government Authorities	-	-	-	-	0.50	0.50
Interest accrued but not due / received	-	-	-	4.56	-	-
Advance tax and tax deducted at source, net	1.68	1.02	0.95	7.90	8.95	21.45
TOTAL	113.36	188.10	41.48	792.67	950.44	1,333.75
Notes:						
1. The figures disclosed above are based on the restated financial information of Ind-Barath Power Infra Limited.						
2. The following are the related party balances included above:						
Particulars	2005	2006	2007	2008	2009	2009
Loans and advances						
Loans and advances - to foreign subsidiary						
PT. Ind Bharath Energy	-	-	-	105.02	647.57	656.45
	-	-	-	105.02	647.57	656.45
Loans and advances - to directors						
K.Raghu Ramakrishna Raju	5.75	31.41	6.96	23.27	26.76	30.77
K.Rama Devi	2.47	2.47	0.70	0.80	0.92	1.06
	8.22	33.88	7.66	24.07	27.68	31.83
Advances towards investments						
Dharmasala Hydro Power Limited	0.00	8.20	11.49	1.06	1.56	9.96
Ind-Barath Power (Karwar) Limited	-	-	3.03	42.62	0.02	159.82
Ind-Barath Green Power Limited	-	-	0.40	1.40	1.42	1.42
PT. Ind Bharath Energy	-	-	-	35.91	38.30	34.96
Ind-Barath Energy (Utkal) Limited	-	-	-	-	-	85.00
Ind-Barath Energies (Chhattisgarh) Limited	-	-	-	-	4.03	5.18
Ind-Barath Power Gencom Limited	-	4.99	5.99	391.52	180.40	-
Arkay Energy (Utkal) Limited	-	-	0.01	0.02	0.02	0.02
Ind Barath Power (Konkan) Limited	-	-	-	0.01	0.01	0.01
Ind Barath Energies (Gujarat) Limited	-	-	0.12	0.12	0.12	0.12
Ind Barath Power (Madras) Limited	-	-	-	6.10	7.82	79.32
Raghurama Renewable Energy (Gujarat) Limited	-	-	0.12	0.12	0.12	0.12
Ind Barath Energies (Maharashtra) Limited	-	21.50	3.96	1.00	-	-
Ind-Barath Energies Limited (Orissa project)	-	-	-	31.50	-	-
IBEL Gas Power Limited	-	-	0.01	-	-	-
Penna Electricity Limited	7.39	0.82	-	-	-	-
Arkay Energy (Rameswarm) Limited	18.83	0.01	-	-	-	-
Ind-Barath Energies (Thoothukkudi) Limited	-	33.50	-	-	-	-
Sriba Seabase Private Limited	0.58	0.58	-	-	-	-
Raghurama Renewable Energy Limited	10.00	-	-	-	-	-
	36.80	69.60	25.13	511.38	233.82	375.93
Inter corporate deposits - group companies (including subsidiaries and associates)						
Dharmshala Hydro Power Limited	-	11.48	0.33	0.33	0.83	0.83
Ind-Barath Energies (Maharashtra) Limited	-	-	0.45	4.67	5.67	21.17
Ind-Barath Power (Madras) Limited	-	-	-	0.08	0.08	0.08
Arkay Energy (Rameswarm) Limited	-	-	3.85	-	-	0.34
Ind-Barath Power Gencom Limited	-	-	0.78	-	-	190.50
NATL Power Limited	1.68	1.68	-	-	-	-
Ind Barath Energies Limited	25.34	40.41	-	-	-	-

ANNEXURE - XIII							
STATEMENT OF LOANS AND ADVANCES AS RESTATED							
PARTICULARS	AS AT 31 MARCH					AS AT	
	2005	2006	2007	2008	2009	31 DECEMBER	
						2009	
NATL Technologies Limited	10.49	2.73	-	-	-	-	
Sriba Seabase Private Limited	0.01	0.01	-	-	-	-	
Other related parties	3.68	-	-	-	-	-	
	41.20	56.31	5.41	5.08	6.58	212.92	

(In Rs. Million)

ANNEXURE - XIV		
DETAIL OF CONTINGENT LIABILITIES, AS RESTATED		
PARTICULARS	AS AT 31 MARCH 2009	AS AT 31 DECEMBER 2009
Corporate Guarantee given in favour:		
- UCO Bank for working capital facility availed by Ind-Barath Energies Limited	32.50	32.50
- Indian Renewable Energy Development Agency Limited for term loan facility availed by Dharmasala Hydro Power Limited	192.80	236.80
Preference dividend (including dividend tax)	0.16	0.26
TOTAL	225.46	269.56
Notes :		
1. The figures disclosed above are based on the restated financial information of Ind-Barath Power Infra Limited.		
2. Also refer to Note 4 of Annexure V for details of other contingencies.		

(In Rs. Million)

ANNEXURE - XV		
CAPITALISATION STATEMENT		
PARTICULARS	PRE- ISSUE AS AT 31 DECEMBER	POST ISSUE
Short term debt	962.61	
Long term debt (A)	19.76	
	982.37	
Shareholders funds		
Share capital	358.54	
Reserves and surplus	3,606.37	
Total shareholders funds (B)	3,964.91	
Long term debt/Equity (A/B)	0.005	
Note: The figures disclosed above are based on the restated financial information of Ind-Barath Power Infra Limited		

(In Rs. Million)

ANNEXURE - XVI						
DETAILS OF THE LIST OF RELATED PARTIES AND NATURE OF RELATIONSHIPS						
Particulars	Year ended 31 March 2005	Year ended 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Period ended 31 December 2009
Key Management Personnel	K. Raghu Ramakrishna Raju	K. Raghu Ramakrishna Raju	K. Raghu Ramakrishna Raju	K. Raghu Ramakrishna Raju	K. Raghu Ramakrishna Raju	K. Raghu Ramakrishna Raju
	K. Rama Devi	K. Rama Devi	K. Rama Devi	K. Rama Devi	K. Rama Devi	K. Rama Devi
					D.Madhusudhana Reddy	D.Madhusudhana Reddy
					Dr.P.V.S. Jagan Mohan Rao	Dr.P.V.S. Jagan Mohan Rao
Subsidiaries	Arkay Energy (Rameswarm) Limited	Arkay Energy (Rameswarm) Limited	Ind- Barath Energies Limited	Ind- Barath Energies Limited	Ind- Barath Energies Limited	Ind- Barath Energies Limited
			Ind- barath Energies (Thoothukkudi) Limited	Ind- barath Energies (Thoothukkudi) Limited	Ind- barath Energies (Thoothukkudi) Limited	Ind- barath Energies (Thoothukkudi) Limited
			Ind- Barath Energies(Maharashtra) Limited	Ind- Barath Energies(Maharashtra) Limited	Ind- Barath Energies(Maharashtra) Limited	Ind- Barath Energies(Maharashtra) Limited
			Raghu Rama Renewable Energy Limited	Raghu Rama Renewable Energy Limited	Raghu Rama Renewable Energy Limited	Raghu Rama Renewable Energy Limited
			Arkay Energy (Rameswarm) Limited	Arkay Energy (Rameswarm) Limited	Arkay Energy (Rameswarm) Limited	Arkay Energy (Rameswarm) Limited
			Dharmshala Hydro Power Limited	Dharmshala Hydro Power Limited	Dharmshala Hydro Power Limited	Dharmshala Hydro Power Limited
			Ind-Barath Power Gencom Limited	Ind-Barath Power Gencom Limited	Ind-Barath Power Gencom Limited	Ind-Barath Power Gencom Limited
				Ind- Barath Power (Karwar) Limited	Ind- Barath Power (Karwar) Limited	Ind- Barath Power (Karwar) Limited
				Ind- Barath Green Power Limited	Ind- Barath Green Power Limited	Ind- Barath Green Power Limited
				PT Ind Bharath Energy	PT Ind Bharath Energy	PT Ind Bharath Energy
					Ind- Barath Energy (Utkal) Limited	Ind- Barath Energy (Utkal) Limited
					Ind-Barath Energy (Chattisgarh) Limited	Ind-Barath Energy (Chattisgarh) Limited
						Ind- Barath Power (Madras) Limited
Associates / Group Companies /Relatives & Associates of Key Management Personnel	Penna Electricity Limited	Penna Electricity Limited	Penna Electricity Limited	Penna Electricity Limited	Penna Electricity Limited	Penna Electricity Limited
	NATL Technologies Limited	NATL Technologies Limited	NATL Technologies Limited	Ind-Barath Commodities Limited	Ind-Barath Commodities Limited	Ind-Barath Commodities Limited
	NATL Power Limited	NATL Power Limited	Ind- Barath Green Power Limited	Ind- barath Power (Madras) Limited	Ind- barath Power (Madras) Limited	Ind- Barath Energies (Gujarat) Limited
	Sriba Agro Limited	Sriba Agro Limited	NATL Power Limited	Ind- Barath Energies (Gujarat) Limited	Ind- Barath Energies (Gujarat) Limited	Ind- Barath Power (Konkan) Limited

ANNEXURE - XVI						
DETAILS OF THE LIST OF RELATED PARTIES AND NATURE OF RELATIONSHIPS						
Particulars	Year ended 31 March 2005	Year ended 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Period ended 31 December 2009
	Sriba Seabase Private Limited	Sriba Seabase Private Limited	Sriba Agro Limited	Ind- barath Power (Konkan) Limited	Ind- barath Power (Konkan) Limited	NATL Power Limited
	Ind- Barath Energies Limited	Ind- Barath Power (Karwar) Limited	Sriba Seabase Private Limited	NATL Power Limited	NATL Power Limited	Sriba Agro Limited
	Dharmshala Hydro Power Limited	Ind- Barath Energies Limited	Raghu Rama Renewable Energy (Gujarat) Limited	Sriba Agro Limited	Sriba Agro Limited	Sriba Seabase Private Limited
	K. Indira Priyadarshini	Ind-Barath Power Gencom Limited	Ind- Barath Power (Karwar) Limited	Sriba Seabase Private Limited	Sriba Seabase Private Limited	Arkay Energy (Utkal) Limited
		Ind- Barath Energies(Maharastra) Limited	K. Indira Priyadarshini	Arkay Energy (Utkal) Limited	Arkay Energy (Utkal) Limited	Raghu Rama Renewable Energy (Gujarat) Limited
		K. Indira Priyadarshini		Raghu Rama Renewable Energy (Gujarat) Limited	Raghu Rama Renewable Energy (Gujarat) Limited	IBEL Gas Power Limited
				IBEL Gas Power Limited	IBEL Gas Power Limited	K. Indira Priyadarshini
				K. Indira Priyadarshini	K. Indira Priyadarshini	
Note 1:						
Above disclosures are made in accordance with Accounting Standard (AS) 18 "Related Parties" prescribed by the Companies (Accounting Standards) Rules, 2006.						

(In Rs. Million)

ANNEXURE - XVI (continued)							
DISCLOSURES OF SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES							
PARTICULARS	NATURE OF RELATIONSHIP	AS AT 31 DECEMBER					
		2005	2006	2007	2008	2009	2009
Investments	Group Companies / Subsidiaries	-	291.42	720.40	1,076.21	1,920.05	3,558.07
Inter corporate deposits taken	Subsidiaries / Associates / Group Companies	-	-	141.54	2.80	737.08	294.69
Inter corporate deposits repaid	Subsidiaries / Associates / Group Companies	-	5.50	56.35	46.88	93.53	131.4
Inter corporate deposits and loans given	Subsidiaries / Associates / Group Companies	-	-	22.52	112.64	462.79	274.85
Inter corporate deposits and loans recovered	Subsidiaries / Associates / Group Companies	-	0.15	70.68	7.95	20.00	-
Share application money given	Subsidiaries / Associates / Group Companies	-	0.82	25.38	1,561.85	1,510.18	3,663.21
Share application money received	Subsidiaries / Associates / Group Companies	-	-	-	-	-	100.00
Dividends received	Subsidiaries	-	-	-	15.87	-	-
Income from Operation and maintenance and other services	Subsidiaries / Associates / Group Companies	-	-	17.37	69.27	29.56	3.09
Remuneration and allowances to Directors	Key Management Personnel	-	-	0.01	28.05	6.85	1.62
Loans given	Key Management Personnel	-	-	-	16.40	-	-
Loans recovered	Key Management Personnel	-	-	26.74	-	-	-
Interest income	Relatives of Key Management Personnel	-	-	2.43	2.20	3.61	4.15
Note 1:							
Above disclosures are made in accordance with Accounting Standard (AS) 18 "Related Parties" prescribed by the Companies (Accounting Standards) Rules, 2006.							

(In Rs. Million)

ANNEXURE - XVI (continued)							
DETAILS OF RELATED PARTIES OUTSTANDING BALANCES							
PARTICULARS	Nature of Relationship	AS AT 31 MARCH					AS AT 31 DECEMBER
		2005	2006	2007	2008	2009	2009
Current assets, loans and advances	Associates / Subsidiaries / Group Companies	78.00	125.91	30.54	621.48	887.97	1,245.30
Sundry debtors	Subsidiaries / Group Companies	-	-	1.24	11.48	8.65	9.72
Inter corporate deposits included in unsecured loans	Associates / Subsidiaries / Group Companies	-	37.56	127.92	92.56	755.11	913.37
Sundry creditors	Associates / Subsidiaries / Group Companies	-	-	11.34	16.00	-	-
Note 1:							
The figures disclosed above are based on the restated financial information of Ind-Barath Power Infra Limited							
Note 2:							
Above disclosures are made in accordance with Accounting Standard (AS) 18 "Related Parties" prescribed by the Companies (Accounting Standards) Rules, 2006.							

(In Rs. Million)

ANNEXURE - XVII						
STATEMENT OF TAX SHELTER						
PARTICULARS	FOR THE YEAR ENDED 31 MARCH					FOR THE NINE MONTHS ENDED 31 DECEMBER
	2005	2006	2007	2008	2009	2009
Profits before current and restated taxes as per books, as restated (A)	0.65	1.41	2.22	4.93	50.22	(178.63)
Income tax rates (including surcharge and education cess) applicable (B)	36.59%	33.66%	33.66%	33.99%	33.99%	33.99%
Tax at notional rates (C)	0.23	0.48	0.73	1.68	17.07	(60.71)
Permanent differences						
Dividend income exempt under Section 10(34)	-	-	-	(24.95)	(1.71)	-
Filling Fee paid towards increase in authorised share capital disallowed under the tax law	-	-	1.45	6.39	-	-
Amounts disallowed u/s.43B, net	-	-	-	1.11	-	-
Interest on Income tax	-	-	0.06	0.29	0.27	-
Other disallowances u/s 36(1)(va)	-	-	30.71	0.86	38.80	-
Total permanent differences (D)	-	-	32.23	(16.30)	37.37	-
Timing differences						
Differences between book depreciation and tax depreciation	-	-	-	-	(31.88)	35.33
Set off of carry forward losses	-	-	-	-	(12.75)	-
Total timing differences (E)	-	-	-	-	(44.63)	35.33
Net adjustments (F)=(D+E)	-	-	32.23	(16.30)	(7.26)	35.33
Tax impact of adjustments (G)=(F)*(B)	-	-	10.85	(5.54)	(2.47)	12.01
Tax provision based on taxable income as per tax laws (C+G)	0.23	0.48	11.58	-	14.60	-
Interest payable under section 234 of Income tax Act 1961	-	-	-	-	1.45	-
Income tax, net of MAT credit	-	-	0.22	0.39	-	-
Fringe benefit tax	-	-	-	0.09	0.01	-
Income tax of earlier years	-	-	-	-	-	-
Tax expenses (H)	0.23	0.48	11.80	0.48	16.07	-
Deferred tax impact on timing differences (I)	-	-	-	0.31	10.91	(6.09)
Total tax expenses / (credit) (H+I)	0.23	0.48	11.80	0.79	26.98	(6.09)

SUMMARY FINANCIAL STATEMENTS OF CERTAIN SUBSIDIARIES

SUMMARY STATEMENT OF ASSETS AND LIABILITIES OF IND BARATH THERMAL POWER LIMITED

	<i>(in Rs. million)</i>	
	As at March 31, 2009	As at March 31, 2008
A. Fixed Assets:		
Gross Block	37.67	2.91
Less: Accumulated Depreciation	0.58	0.13
Net Block	37.09	2.78
Capital work in progress (including capital advances)	1,378.25	40.78
Pre-operative expenses	311.73	176.80
B. Current Assets, Loans and Advances		
Cash Balances	183.78	34.42
Loans and Advances	4.38	2.25
C. Total Assets – (A+B)	1,915.22	257.02
D. Liabilities & Provisions		
Current Liabilities	58.46	3.06
Provisions	0.57	0.24
Secured Loans	562.47	0.00
Total – (D)	621.50	3.30
Net Worth (C) – (D)	1,293.72	253.72
Net Worth represented by :		
Share Capital	1,293.20	210.60
Share Application Money	0.52	43.12
Net Worth	1,293.72	253.72

SUMMARY STATEMENT OF CASH FLOWS OF IND BARATH THERMAL POWER LIMITED

(in Rs. million)

	Year ended March 31, 2009	Year ended March 31, 2008
Cash Flows from Operating Activities		
Net Profit before tax	Nil	Nil
Adjustments	Nil	Nil
Cash Flows from Investing Activities		
Purchase of fixed assets	(34.76)	(2.91)
Increase in Capital work in progress	(1,472.40)	(217.45)
Increase in loans and advances	(2.13)	(4.89)
Increase/(decrease) in current liabilities	56.18	3.31
Net Cash provided/(used) by Investing Activities	(1,453.10)	(221.95)
Cash Flows from Financing Activities		
Proceeds from issuance of share capital	1,082.60	210.60
Share application monies received	(42.60)	43.12
Proceeds from Secured Loans	562.47	-
Proceeds from Unsecured Loans	-	2.65
Net Cash provided/(used) by Financing Activities	1,602.47	256.37
Net Increase/(decrease) in cash and cash equivalents	149.36	34.42
Cash and cash equivalents at the beginning of the period	34.42	-
Cash and cash equivalents at the end of the period	183.78	34.42

SUMMARY STATEMENT OF ASSETS AND LIABILITIES OF IND BARATH ENERGY (UTKAL) LIMITED

(in Rs. million)

As at March 31, 2009

A. Fixed Assets:	
Gross Block	91.19
Less: Accumulated Depreciation	0.10
Net Block	91.09
Capital work in progress (including capital advances)	65.11
Pre-operative expenses	90.95
B. Current Assets, Loans and Advances	
Cash Balances	1.97
Loans and Advances	1.05
C. Miscellaneous Expenditure to the extent not written off	
Miscellaneous Expenditure to the extent not written off	0.14
D. Total Assets – (A+B+C)	250.31
E. Liabilities & Provisions	
Current Liabilities	0.54
Provisions	0.15
Unsecured Loans	108.91
Total – (E)	109.60
Net Worth (D) – (E)	140.71
Net Worth represented by :	
Share Capital	140.71
Net Worth	140.71

SUMMARY STATEMENT OF CASH FLOWS OF IND BARATH ENERGY (UTKAL) LIMITED*(in Rs. million)***Year ended March 31,
2009**

Cash Flows from Operating Activities	
Net Profit before tax	Nil
Adjustments	Nil
Cash Flows from Investing Activities	
Purchase of fixed assets	(91.19)
Capital work in progress	(156.06)
Depreciation	0.01
Preliminary expenses	(0.14)
Loans and Advances (including capital advances)	(1.01)
Current liabilities and provisions	0.68
Net Cash provided/(used) by Investing Activities	(247.66)
Cash Flows from Financing Activities	
Share application monies received	140.71
Unsecured loans obtained	108.91
Net Cash provided/(used) by Financing Activities	249.62
Net Increase/(decrease) in cash and cash equivalents	1.96
Cash and cash equivalents at the beginning of the period	Nil
Cash and cash equivalents at the end of the period	1.96

SUMMARY STATEMENT OF ASSETS AND LIABILITIES OF IND-BARATH POWER (MADRAS) LIMITED

(in Rs. million)

	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
A. Fixed Assets:			
Pre-Operative expenses	4.16	0.92	0.01
B. Current Assets, Loans and Advances			
Cash Balances	0.83	0.88	0.67
Loans and Advances	13.71	8.74	0.00
C. Miscellaneous Expenditure (to the extent not written off)			
	0.13	0.13	0.13
D. Total Assets – (A+B+C)	18.83	10.67	0.81
E. Liabilities & Provisions			
Current Liabilities & Provisions	0.28	0.17	0.01
Unsecured Loans	10.04	3.72	0.12
Total – (E)	10.32	3.89	0.13
Net Worth (D) – (E)	8.51	6.78	0.68
Net Worth represented by :			
Share Capital	0.68	0.68	0.68
Share Application Money	7.83	6.10	0.00
Net Worth	8.51	6.78	0.68

[THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

[THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

[THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

[THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

FINANCIAL INDEBTEDNESS

As on March 31, 2010, the aggregate outstanding borrowings of our Company on a consolidated basis are as follows:

S. No.	Nature of Borrowing	Amount
1.	Secured Borrowings	24.00
2.	Unsecured Borrowings	1,245.56

(Rs. in million)

Secured Loans

Our Company

1. *Loan taken by our Company from Allahabad Bank*

Term Loan Agreement (Hypothecation of Movables) dated February 27, 2008, , Letter of mortgagor confirming deposit of title deeds for the borrower (individual/ firm/ company) and guarantor dated February 29, 2008.

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in million)	Interest	Purpose of Loan/Repayment/Security
30.00	30.00	24.00	<ul style="list-style-type: none"> ▪ 12.25% per annum, ▪ (1% below the prime lending rate of Allahabad Bank) 	<ul style="list-style-type: none"> ▪ This loan has been availed of for the purpose of procuring machinery/ plant/ vehicle/ craft/ capital good/ assets and for any other purpose connected with the conduct of the business of the Company. ▪ The loan is repayable in 20 quarterly installments of Rs 1,500,000 each, from June 30, 2009. ▪ The loan has been secured by: <ol style="list-style-type: none"> a. A first charge of all the present and future tangible movable machinery's, plant, machinery fixture, fittings, other installations, cranes, furniture, computers, and other accessories, vehicles together with spares, tools and accessories and all other articles lying in the premises in Re. Sy No. 354/6, Block No. 52 (Old Sy No. 4/1) of Parathode Village, Udumbachola Taluk, Iduki District, Kerala in the godowns of our Company or in the custody of any person who are mercantile agents of our Company or in the course of transit. b. A first charge on all present and future movable goods and assets, and including but without prejudice to generality of the foregoing words, all stocks of raw materials, work – in – progress, semi-finished goods and finished goods, packing materials, consumable stores and spares, which belongs to our Company during the continuance of these securities or that may be held by any party to the order and disposition of our Company. c. A first charge on all present and future book debts, outstanding moneys receivable, claims, bills, contracts, engagements and securities which are now due and owing or which may at any time hereafter during the continuance of these securities become due and owing to our Company in the course of its business by any person, firm, company, firm or body corporate or by the Government of India or any state government or Indian Railways or any Government Department or office or any

- Municipal or local or public or semi government body or authority whatsoever including those relating to the assets leased out and/ or given on a hire purchase basis.
- d. Equitable mortgage of all that piece and parcel of land having a total extent of 75 acres 69 square meters in Te Sy. No. 354/6 of Parathode Village, Nedumkandam Panchayat, Udumbachola Taluk, Idfuki District, Kerala, and all improvements and other appurtenances comprised in Sale Deed No. 1944 of 2006 of Udumbachola Sub – Registry (1 acre 87 cents in old Sy No. 4/1).
 - e. Assignment of all title and interest of the Company in, to and under all the project documents to which the Company is a party and all other contracts relating to these projects.
 - f. Assignment of right, title and interest of the Company by way of first charge in, to and under all government approvals and insurance policies of the projects of the Company.

The following provisions are the restrictive provisions in relation to the above loan availed of by our Company from Allahabad Bank:

- It shall not remove or cause the removal of any of the charged goods, so long as any money remains due and repayable to the bank.
- It shall not create or suffer to exist, any mortgage, charge, lien, or encumbrance in favour of any third party, that affects the charged book debts, or goods, or any security, or do anything that may prejudice the security.
- It shall execute and do all necessary things for the further and better assuring of the charged goods, and the said book debts hereby hypothecated as may be lawful required by the bank.
- It shall ensure that the end use of loan/ advance funds and such funds shall not be for any other purpose than the purpose for which the loan is obtained, and the funds shall not be diverted/ siphoned for any other purpose, or to any other concern or sister concern.

Our Subsidiaries

Ind-Barath Power Gencom Limited

2x63 MW thermal power plant at Pudurpandiapuram, Ottapidaram Taluk, Thoothukudi District, Tamil Nadu

1. *Common Loan taken by IBPGL from Indian Overseas Bank, Infrastructure Development Finance Company Limited, State Bank of India, State Bank of Indore, State Bank of Travancore, Syndicate Bank and Axis Bank.*

Common Rupee Loan Agreement dated June 16, 2007 executed between IBPGL and Indian Overseas Bank, Infrastructure Development Finance Company Limited, State Bank of India, State Bank of Indore, State Bank of Travancore, Syndicate Bank and Axis Bank Limited (“**Lenders**”).

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in million)	Interest	Purpose of Loan/Repayment/Security
3342.70	3342.70	3145.25	<ul style="list-style-type: none"> ▪ Infrastructure Development Finance Company Limited – 2.34% over and above the 2% IDFC benchmark rate; ▪ Indian Overseas 	<ul style="list-style-type: none"> ▪ This loan has been availed of for part financing the 126 MW thermal power plant at Pudurpandiapuram, Ottapidaram Taluk, Thoothukudi District, Tamil Nadu. ▪ The loan is repayable in 36 equal quarterly installments (Infrastructure Development Finance Company Limited and Axis Bank Limited) and 32 equal quarterly

-
- | | |
|---|--|
| <ul style="list-style-type: none"> Bank – 0.50% below BPLR; ▪ State Bank of India – at par with SBAR; ▪ State Bank of Indore - 0.50% below BPLR; ▪ State Bank of Travancore - 0.25% below BPLR; ▪ Syndicate Bank - 0.25% below BPLR; ▪ Axis Bank Limited – 2.25% below BPLR | <ul style="list-style-type: none"> installments (Indian Overseas Bank, State Bank of India, State Bank of Indore, State Bank of Travancore, Syndicate Bank) commencing from September 30, 2009. ▪ The loan has been secured by: <ul style="list-style-type: none"> a. A first charge by way of mortgage on all immovable properties (present and future) of IBPGL. b. A first charge by way of hypothecation of all the movable assets including but not limited to plant and machinery, machinery spares, tools and accessories of IBPGL, present and future. c. Assignment/ hypothecation of all project contracts, documents, insurance policies relating to the proposed power plant, rights, titles, permits/ approvals, clearances and interests of IBPGL related to the project and shall be applicable on a pari passu basis. d. A first charge on the IBPGL's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future intangibles, goodwill, uncalled capital, present and future. e. A first charge on all the project's bank accounts including but not limited to the Trust and Retention Account and Debt Service Reserve Account opened in a designated bank where all cash inflows from the project shall be deposited and all proceeds shall be utilised in a manner and priority to be decided by the Lenders. f. Assignment/ hypothecation of all IBPGL rights and interests related to the project under letter of credit, guarantee or performance bond provided by any party for any contract related to the Project in favour of IBPGL, to the Lenders on a pari – passu basis. g. Pledge of 51% of the paid up share capital of IBPGL held by the promoters, which shall include 100% of the shares held by K Raghu Ramakrishna Raju in IBPGL. |
|---|--|

The security interest specified above will rank pari passu amongst the Lenders to the extent loans provided by them.

The following provisions are the restrictive provisions in relation to the above loan availed of by IBPGL from the Lenders:

- IBPGL shall notify the lenders in writing of all acquisitions of immovable properties made by it, so long as any money remains due and repayable to the lenders.
- Promoters must infuse 40% of the proposed equity upfront.
- Debt to equity ration shall not be more than 2.33.
- Debt Service Coverage Ratio shall not be less than 1.25.
- Fixed Assets Coverage Ratio shall be 1.25.
- IBPGL must execute power supply agreements for at least 75% of the capacity of the project at 80% plant load factor.
- IBPGL will take prior consent of the lenders before formulating any scheme of amalgamation, consolidation or reorganisation or to effect any merger or acquisition.

- IBPGL is restricted from undertaking any business other than the Project, create any subsidiaries, change its name or the location of its registered office.
- IBPGL cannot without the approval of the lenders, issue any debentures, raise loans, assume any additional indebtedness, issue equity or preference capital except in accordance with the agreed financing plan (other than loans and advances granted to staff, contractors or suppliers in the ordinary course of business).
- IBPGL is required to implement the project within the overall budgeted cost and in accordance with the agreed financing plan and was required to complete the project no later than December 31, 2008 and / or commercial operations date.
- IBPGL is restricted from undertaking any new project or modernising or augmenting or otherwise changing the scope of the project without the prior written approval of the lenders.
- IBPGL is required to obtain the prior approval of the lenders in order to cancel or terminate any Project document, to sell or assign or dispose any rights in the Project documents, waive or fail to enforce any rights thereunder, or amend or modify any of such documents.
- The lenders have the right to appoint a nominee director each to the board of IBPGL.
- IBPGL is restricted from appointment or removal of any person in key management without the approval of the Lenders. Further, on the occurrence of an event of default, the lenders can review and require any restructuring of the IBPGL's management set up.
- IBPGL is restricted from registering any transfer of shares made to or to be made by the sponsors.
- Events of default under this loan agreement include cross default by IBPGL or cross acceleration of payments under any other indebtedness.
- The termination of any the project documents would constitute a default under this loan.
- If IBPGL commits a default in payment of interest or any two consecutive instalments of principal amounts of loan or interest, the Lenders have a right to convert the defaulted amount into fully paid up equity shares on IBPGL, at par.
- IBPGL may cancel the balance amount of the loan which IBPGL has not withdrawn, by giving 30 days prior notice in writing to the Lenders.

2. *Consortium Term Loan taken by IBPGL from UCO Bank, Punjab National Bank and Bank of India.*

Facility agreement dated December 08, 2008 executed between IBPGL and UCO Bank, Punjab National Bank (“PNB”) and Bank of India (“BOI”) (together the “Lenders”).

Sanctioned amount (in million)	Amount availed as on March 31, 2010 (in million)	Amount outstanding as on March 31, 2010 (Rs. in million)	Interest	Purpose of Loan/Repayment/Security
Rupee Term Loan from UCO Bank and PNB: Rs. 1100.00	An aggregate of Rs. 1068.45 from UCO Bank and PNB	Rupee Term Loan: 1068.45	<ul style="list-style-type: none"> ▪ UCO Bank – 0.75% below BPLR; ▪ PNB – 0.50% above the BPLR; ▪ Bank of India –3 million USD LIBOR plus 325 bps on 360 days basis. 	<ul style="list-style-type: none"> ▪ This loan has been availed of for part financing Phase II of the 1x63 MW thermal power plant at Pudurpandiapuram, Ottapidaram Taluk, Thoothukudi District, Tamil Nadu. ▪ The loan is repayable in 32 equal quarterly instalments (UCO Bank and Punjab National Bank) commencing from September 30, 2009 and 32 equal quarterly instalments (Bank of India) commencing from July 01, 2010. ▪ The loan has been secured by: <ul style="list-style-type: none"> a. A first charge by way of mortgage on all immovable properties (present and future) of IBPGL. b. A first charge by way of hypothecation of all the movable assets including but not limited to plant and machinery, machinery spares, tools and accessories of IBPGL, present and future. c. Assignment/ hypothecation of all project contracts, documents, insurance policies relating to the proposed power plant, rights, titles, permits/ approvals, clearances and interests of IBPGL related to the
Foreign Currency Term Loan from Bank of India: U.S.\$ 10 (Rs. 451.40)	USD 9.599 (Rs. 448.08) from Bank of India	Foreign Currency Term Loan: 448.08		

-
- project and shall be applicable on a pari passu basis.
- d. A first charge on the IBPGL's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future intangibles, goodwill, uncalled capital, present and future.
 - e. A first charge on all the project's bank accounts including but not limited to the Trust and Retention Account and Debt Service Reserve Account opened in a designated bank where all cash inflows from the project shall be deposited and all proceeds shall be utilised in a manner and priority to be decided by the Lenders.
 - f. Assignment/ hypothecation of all IBPGL rights and interests related to the project under letter of credit, guarantee or performance bond provided by any party for any contract related to the Project in favour of IBPGL, to the Lenders on a pari – passu basis.
 - g. Pledge of 51% of the paid up share capital of IBPGL held by the promoters, which shall include 100% of the shares held by K Raghu Ramakrishna Raju in IBPGL.

The security interest specified above will rank pari passu amongst the Lenders to the extent loans provided by them.

The following provisions are the restrictive provisions in relation to the above loan availed of by IBPGL from the Lenders:

- IBPGL shall ensure that the combined shareholding of the promoters is not less than 51%, so long as any money remains due and repayable to the Lenders.
- IBPGL shall notify the Lenders in writing of all acquisitions of immovable properties made by it, so long as any money remains due and repayable to the Lenders.
- IBPGL is required to obtain the prior approval of the Lenders in order to cancel or terminate any Project document, to sell or assign or dispose any rights in the Project documents, waive or fail to enforce any rights thereunder, or amend or modify any of such documents.
- IBPGL is restricted from entering into any borrowing arrangements, secured or unsecured, with any other bank or financial institution
- Promoters must infuse 50% of the equity contribution upfront.
- IBPGL is restricted from undertaking any business other than the Project, create any subsidiaries, change its name or the location of its registered office.
- IBPGL is restricted from undertaking any new project or modernising or augmenting or otherwise changing the scope of the project without the prior written approval of the Lenders.
- IBPGL cannot without the approval of the Lenders, issue any debentures, raise loans, assume any additional indebtedness, issue equity or preference capital except in accordance with the agreed financing plan (other than trade guarantees in the ordinary course of business).
- IBPGL will take prior consent of the Lenders before formulating any scheme of amalgamation, consolidation or reorganisation or to effect any merger or acquisition.
- IBPGL is required to obtain the prior approval of the Lenders in order to cancel or terminate any Project document, to sell or assign or dispose any rights in the Project documents, waive or fail to enforce any rights thereunder, or amend or modify any of such documents.
- IBPGL is restricted from appointment or removal of any person in key management without the approval of the Lenders. Further, on the occurrence of an event of default, the Lenders can review and require any restructuring of the IBPGL's management set up.
- The Lenders have the right to appoint a nominee director each to the board of IBPGL.

- Events of default under this loan agreement include cross default by IBPGL or cross acceleration of payments under any other indebtedness.
- The termination of any the project documents would constitute a default under this loan.
- If IBPGL commits a default in payment of interest or any two consecutive installments of principal amounts of loan or interest, the Lenders have a right to convert the defaulted amount into fully paid up equity shares on IBPGL, at par.

3. *Working capital facility taken by IBPGL from Axis bank*

Composite hypothecation deed dated June 24, 2009

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in million)	Interest	Purpose of Loan/Repayment/Security
350.00	350.00	312.01	2.25% below BPLR	<ul style="list-style-type: none"> ▪ The loan has been availed of as a cash credit facility. ▪ IBPGL is to repay the loan on demand. ▪ The loan has been secured by the following: <ol style="list-style-type: none"> a. First pari-passu charge on present and future operating cash flows, book debts, receivables, commissions and revenues of IBPGL. b. First pari-passu charge on all present and future movable assets of IBPGL. c. First pari-passu charge by way of hypothecation on all present and future movable fixed assets of IBPGL. d. First pari-passu charge on all present and future intangibles including but not limited to goodwill, and uncalled capital of IBPGL. e. First pari passu charge on an escrow/ trust and retention account, debt service reserve account, and other bank accounts, reserves including all other major maintenance reserves of IBPGL f. First pari passu charge by way of assignment on all rights, titles, interest, and benefits, claims and demands of IBPGL in the project documents

The following restrictive provisions are also applicable in relation to the above facility availed of by IBPGL from Axis Bank:

- IBPGL shall maintain a margin of 25% at all times during the currency of the loan.
- IBPGL shall not during the continuation of the facility, hypothecate or otherwise charge or encumber any of the properties hypothecated to the bank without the prior consent of the bank.
- IBPGL shall not make any change in its constitution which will impair the ability of IBPGL to repay the loan.
- IBPGL shall not release or compound any of its cash credit (book debts) without the prior consent of the bank, and will not do anything impeding the recovery of such debts by the bank.
- IBPGL shall appoint the bank as its attorney on demand by the bank to sue for, recover, and give effectual discharges for all or any of the book debts hypothecated to the bank, and to file suits, declare plaints, make affidavits, and do all other acts and things to be done by IBPGL for recovery of the debts.

Arkay Energy (Rameswarm) Limited

1. *Loan taken by AERL from Infrastructure Development Finance Company Limited (“IDFC”)*

Subscription to non-convertible debentures agreement dated March 22, 2005, and Facilities Agreement dated February 1, 2006 between AERL and IDFC, Indenture of Mortgage dated August 24, 2005, Indenture of Mortgage dated May 05, 2006

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in million)	Interest	Purpose of Loan/Repayment/Security
1,000.00	1,000.00	569.27	<ul style="list-style-type: none"> ▪ 0.78% per annum above the IDFC PLR ▪ Penal interest of 2% per annum for delays in payment, compounded monthly. ▪ Disbursements pending creation of security carry further interest at 1% per annum starting 4 months from disbursement till the date of creation of security. ▪ IDFC has the right to reset interest rates at the end of 5 years + 1 day. 	<ul style="list-style-type: none"> ▪ The loan has been availed of to finance a part of the cost of a project of AERL being, a 75.84 MW gas engine based group captive power plant at Ramnad District, Tamil Nadu ("Project") ▪ AERL is to repay the loan / redeem the non-convertible debentures in 28 equal installments commencing from April 15, 2007. ▪ The loan has been secured by the following, which shall rank <i>pari passu</i> with the charges created in favour of other lenders to the Project: <ul style="list-style-type: none"> a. A first charge on all immovable properties, all movables, all intangibles (including goodwill, and present and future uncalled capital), book debts, operating cash flows, receivables, commissions and revenues; b. A first charge over all rights, title, interests, benefits, claims and demands over the documents in relation to the Project and related clearances, insurance contracts and proceeds; c. A first charge on all bank accounts of AERL including their Trust and Retention Account, Debt Service Reserve Account and other reserves; and d. Pledge of all shares of AERL held by its promoters, which shall at all times, constitute at least 51% of the equity share capital of AERL. e. Personal guarantee of K Raghu Ramakrishna Raju

The following restrictive provisions are also applicable in relation to the above loan availed of by AERL from IDFC:

- AERL is required to implement the Project within the overall budgeted cost and in accordance with the agreed financing plan and was required to complete the Project no later than January 1, 2006.
- AERL is restricted from undertaking any new project or modernising or augmenting or otherwise changing the scope of the Project without the prior written approval of the bank.
- AERL is required to obtain the prior approval of the bank in order to cancel or terminate any Project document, to sell or assign or dispose any rights in the Project documents, waive or fail to enforce any rights thereunder, or amend or modify any of such documents.
- AERL is required to obtain the prior approval of the bank to change its capital structure.
- AERL is required to obtain the prior approval of the bank to create any security interest over the project assets.
- AERL is required to obtain the prior approval of the bank to issue any debentures, raise any loans, accept deposits from the public, issue any equity or preference capital, except as is provided in the Subscription to non-convertible debentures agreement dated March 22, 2005.
- AERL is required to obtain prior approval of the bank to enter into any further borrowing from any source or to pledge or charge assets during the subsistence of the loan.
- AERL is restricted from appointment or removal of any person in key management without the approval of the bank.
- AERL is restricted from prepayment of any loan/ advance availed by AERL from any person without making proportionate prepayment to the bank.

- An event of default under any other indebtedness availed of by AERL from any other lender would also constitute a default under this loan.
- The bank has the right to appoint nominee directors to the board of AERL, including at least one whole time director. Further, on the occurrence of an event of default, the bank can review and require any restructuring of the AERL's management set up.
- The termination of any the Project documents would constitute a default under this loan.

2. *Common Loan taken by AERL from Axis Bank and Rabo India Finance Private Limited*

Common Loan Agreement dated April 20, 2005 between AERL, Axis Bank and Rabo India Finance Private Limited., Composite Hypothecation deed dated June 06, 2005

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in million)	Interest	Purpose of Loan/Repayment/Security
825.00 (total senior debt to be restricted to Rs. 185.54 crores only); sub-limit of Rs.700.00 million on letter of credit facility	625.00	290.13	<ul style="list-style-type: none"> ▪ 1.75% per annum below the PLR (effectively 10.25% as on the date of the agreement), payable monthly for Axis Bank. ▪ 10.25% per annum linked to Rabobank's India interest rate. ▪ 2% penal interest upon default in making payments under the agreement, or failure to create security. 	<ul style="list-style-type: none"> ▪ The term loan has been availed of by AERL in order to part finance the Project. ▪ AERL is to repay the loan in 84 equal monthly installments commencing one year from the date of the first drawdown subject to one year construction moratorium or April 1, 2006, whichever is earlier. ▪ The loan has been secured by the following, which shall rank <i>pari passu</i> with the charges created in favour of other lenders to the Project: <ul style="list-style-type: none"> a. A first charge on all Project fixed assets; b. Negative lien over all Project contracts; c. Hypothecation of all receivables prior to project commissioning. d. A first charge on Debt Service Reserve Account (and related undertaking from promoters to maintain it); e. Pledge of all shares of AERL held by its promoters; f. Personal guarantee of K Raghu Ramakrishna Raju; g. Undertaking from promoters to top up any potential equity shortfalls from identified power offtakers prior to drawdown of last debt tranche.

The following restrictive provisions are also applicable in relation to the above loan availed of by AERL from Axis Bank:

- Senior project lenders to have a put option to call back entire outstanding cash amounts at any time between July 1 2010 and December 31, 2010 on the occurrence of any of the following potential events of default: (a) non renewal of the gas supply agreement from GAIL prior to October 30, 2010; or (b) power offtake of less than 30 million kwh in any month by consumers acceptable to Senior Project Lender(s) subject to appropriate gas availability.
- Events of default include the discontinuance of the Project, termination of identified Project contracts and cross defaults under other indebtedness related agreements, revocation of any governmental approvals.

3. Working Capital Facility taken by AERL from Industrial Development Bank of India Limited (“IDBI”)

Sanction letters (both for cash credit and for standing letter of credit – collectively forming part of the working capital facility availed), each dated January 24, 2006 from IDBI Bank to AERL, Indenture of Mortgage dated August 24, 2005, Indenture of Mortgage dated May 05, 2006

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in million)	Interest	Purpose of Loan/Repayment/Security
Cash Credit (“CC”): 95.00 Standby letter of credit (“LC”): 547.00	95.00 CC and 547.00 LC	CC 109.21	<ul style="list-style-type: none"> ▪ CC: 1% per annum below MTLR – i.e.9.25% per annum ▪ LC: Maximum lending rate of interest at the time of default (in case of devolvement) ▪ 2% per annum penal interest if any advance is diverted to unauthorised uses. ▪ 4% per annum penal interest for delays in payments. 	<ul style="list-style-type: none"> ▪ The facility has been availed by AERL towards working capital requirements of AERL. The LC in particular has been availed to be granted in favour of GAIL in terms of the gas supply agreement executed by AERL. ▪ Subject to the terms of individual facilities, the overall working capital facility is repayable by January 23, 2007. The CC facility is repayable on demand in terms of its individual terms. The LC is valid for a period of a year. ▪ The loan has been secured by the following <i>pari passu</i> charges: <ul style="list-style-type: none"> a. First charge on all movables, book debts, operating cash flows, receivables, commissions, revenues, intangibles, bank accounts (including the Trust and Retention Account and Debt Service Reserve Account); b. In addition to the above, for the LC, AERL is also to provide an application-cum-indemnity.

The following restrictive provisions are also applicable in relation to the above loan availed of by AERL from IDBI:

- AERL is restricted from implementing any new scheme of expansion or taking up an allied line of business or manufacture without the prior approval of the bank.
- AERL is restricted from withdrawing any monies brought in by its promoters and directors or their relatives or friends, without the prior approval of the bank.
- AERL cannot without the approval of the bank, invest any funds by way of deposits, or loans or in the share capital of any other concern (including subsidiaries) so long as any money remains due to the bank (other than deposit of funds in the ordinary course of business).
- In particular, the shareholding of directors, promoters and principal shareholders of AERL in AERL, cannot be varied without the prior approval of the bank.
- Events of default under this loan agreement include cross default by AERL or its guarantor or cross acceleration of payments under any other indebtedness.

4. Financial assistance for Project Finance Scheme taken by AERL from IDBI

Sanction letter dated November 17, 2005, Loan agreement dated November 17, 2005 between AERL and IDBI, Indenture of Mortgage dated August 24, 2005, Indenture of Mortgage dated May 05, 2006

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in million)	Interest	Purpose of Loan/Repayment/Security
273.50	273.50	155.29	<ul style="list-style-type: none"> ▪ 0.50% below IDBI MLTR subject to a floor rate of 9.75% per annum payable monthly ▪ Disbursements made pending creation of security will carry additional interest at 1% per annum. ▪ 2% per annum penal interest for any default in payments. 	<ul style="list-style-type: none"> ▪ The loan has been availed of by AERL to finance the installation of 2 additional gas engines of 8.73 MW each to existing 8 gas engines of 8.73 MW each at Valantarvai Village, Ramnad District, Tamil Nadu. ▪ The loan will be repayable in 28 quarterly installments commencing 15 months from the date of commercial operations i.e. from April 1, 2007. ▪ The loan has secured by the following <i>pari passu</i> charges: <ul style="list-style-type: none"> a. A first charge on all immovable properties, all movables, all intangibles, book debts, operating cash flows, receivables, commissions and revenues; b. A first charge over all rights, title, interests, benefits, claims and demands over the documents in relation to the Project and related clearances, insurance contracts and proceeds; c. A first charge on all bank accounts of AERL including their Trust and Retention Account, Debt Service Reserve Account and other reserves; and d. Pledge of all shares of AERL held by its promoters, which shall at all times, constitute at least 51% of the equity share capital of AERL.

Ind-Barath Energies (Thoothukkudi) Limited

1. Loan taken by IBETL from Indian Renewable Energy Development Agency Limited (“IREDA”)

Loan agreement dated December 3, 2004, Unattested deed of hypothecation dated December 3, 2004, Letter confirming deposit of title deeds dated November 18, 2004, Memorandum of entry dated December 20, 2004

Sanctioned amount (Rs in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in million)	Interest	Purpose of Loan/ Repayment/ Security
169.40	169.40	111.16	10.75% per annum (fixed)	<ul style="list-style-type: none"> ▪ This loan has been availed of for the setting up of a 20 MW biomass Power Project at Eppodumvendran Village, Ottapidaram Taluk, Thoothukkudi District under the project financing scheme in the State of Tamil Nadu. ▪ The loan is repayable in 31 quarterly installments of Rs 5,294,000 from June 30, 2007, and a final instalment of Rs 5,286,000 on March 31, 2015. ▪ The loan has been secured by: <ul style="list-style-type: none"> a. Mortgage of all of IBETL’s immovable properties, existing and future, including and pertaining to the proposed 20MW biomass Power Project at Eppodumvendran Village,

-
- Ottapidaram Taluk, Thoothukkudi District under the project financing scheme in the State of Tamil Nadu.
- b. Hypothecation of movable assets relating to the 20 MW biomass Power Project at Eppodumvendran Village, Ottapidaram Taluk, Thoothukkudi District under the project financing scheme in the State of Tamil Nadu.
 - c. Personal guarantees of K Raghu Ramakrishna Raju and K Rama Devi
 - d. Corporate guarantee of IBEL, and promoter of IBETL.
 - e. Post dated cheques towards payment of instalments of the principal and interest of the loan amount.
 - f. Deposit of sale proceeds of power received from TNEB in a trust and retention account/ special account over which IREDA will have a first charge/ lien.
-

The following are restrictive provisions in relation to the above loan availed of by IBETL from IREDA:

- IBETL shall execute a PPA with the TNEB for a project capacity of 10 MW to be set up at Eppodumvendran Village, Ottapidaram Taluk, Thoothukkudi District, before signing of the loan agreement.
- IBETL shall ensure and tie up financial assistance for the balance loan amount with other financial institutions before signing the loan agreement.
- IREDA may review or revoke the sanctioned loan and recall the loan advanced in case of developments that may materially affect the financial health of IBETL.
- IREDA shall be entitled to appoint and withdraw nominee directors on the board of directors of IBETL from time to time at any time during the currency of the loan.
- IREDA shall have the right to reappraise the 20MW biomass Power Project at Eppodumvendran Village, Ottapidaram Taluk, Thoothukkudi District under the project financing scheme in the State of Tamil Nadu, and revise the means of finance including the term loan, in case there are revisions in the tariff.
- IBETL shall take the prior consent of IREDA for sale of carbon credits if any in relation to the 20 MW biomass Power Project at Eppodumvendran Village, Ottapidaram Taluk, Thoothukkudi District under the project financing scheme in the State of Tamil Nadu.
- IBETL shall take the prior consent of IREDA to take any other additional loan over and above the means of financing including setting up of any other new project or for the substantial expansion of its existing projects.
- IBETL shall take the prior consent of IREDA if it proposes to sell surplus power to third parties, and IBETL shall sell the surplus power to third parties only on terms acceptable to IREDA.
- IBETL is restricted to use and utilise the project loan money solely for the project and no other purposes.
- IBETL shall be bound to hive-off the project from its other projects to a new company to be incorporated for the purpose if required to do so by IREDA.
- UCO Bank shall hold and retain the title deeds as security for the loan on behalf of IREDA and Andhra Bank as securities for the loans advanced by IREDA and Andhra Bank to the Company.

2. *Loan taken by IBETL from Andhra Bank*

Sanction letter dated August 10, 2004, Composite agreement dated November 17, 2004, letter confirming deposit of title deeds dated November 18, 2004, Memorandum of entry dated December 20, 2004

Sanctioned amount (Rs in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in million)	Interest	Purpose of Loan/ Repayment/ Security
150.00	150.00	98.42	Minimum of 10.25% per annum (prime lending rate – 0.25%)	<ul style="list-style-type: none"> ▪ This loan has been availed of for cash credit to meet working capital requirements of IBETL. ▪ The loan is repayable in 32 quarterly instalments of Rs 4,687,500.00. ▪ The loan has been secured by: <ol style="list-style-type: none"> a. A first exclusive charge by way of hypothecation in favour of IDBI Bank of all of IBETLs current assets, present and future. b. A first exclusive charge on the book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future of IBETL. c. A first exclusive charge on all of IBETL's bank accounts including but not limited to the TRA excluding debt service reserve account, where all cash inflows shall be deposited and all the proceeds shall be utilised in a manner and priority as approved by IDBI Bank. d. Equitable mortgage by deposit of title deeds of the property offered as primary security. e. Personal guarantee of K Raghuram Krishna Raju f. Undertaking from the promoters that in case of overrun of project costs, or shortfall of funds, they shall infuse additional funds to cover the shortfall.

The following are the restrictive provisions in relation to the above loan availed of by IBETL from Andhra Bank:

- IBETL shall maintain a margin of 30% of the total project cost at all times during the subsistence of the loan.
- IBETL shall ensure full financial closure for the Thoothukkudi Project before any disbursements are made under the facility.
- IBETL will take prior consent of Andhra Bank to effect a change in capital structure.
- IBETL will take prior consent of Andhra Bank to effect any scheme of amalgamation
- IBETL will take prior consent of Andhra Bank to implement any scheme of expansion or acquire fixed assets.
- IBETL will take prior consent of Andhra Bank to make investments or advances.
- IBETL will take prior consent of Andhra Bank to enter into borrowing arrangements with other financiers.
- IBETL will take prior consent of Andhra Bank to undertake any guarantee obligations.
- IBETL will take prior consent of Andhra Bank to declare dividends except out of its profits.
- IBETL will take prior consent of Andhra Bank to effect change in composition of the board of directors.
- UCO Bank shall hold and retain the title deeds as security for the loan on behalf of IREDA and Andhra Bank as securities for the loans advanced by IREDA and Andhra Bank to the Company.

3. Loan taken by IBETL from UCO Bank

Agreement relating to term loan dated November 4, 2004, Corporate guarantee of IBEL dated November 4, 2004, letter confirming deposit of title deeds dated November 18, 2004, Deed of hypothecation of moveable plant and machinery dated November 4, 2004, letter of hypothecation of goods to secure demand cash credit dated November 4, 2004, Memorandum of entry dated December 20, 2004

Sanctioned amount (Rs in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in million)	Interest	Purpose of Loan/ Repayment/ Security
136.30	136.30	120.73	a. 4.75% over the prime lending rate of RBI, subject to a minimum of 10.75% per annum. b. 2% penal interest upon default in payment of the instalments of the principal or interest due to the bank.	<ul style="list-style-type: none"> ▪ This loan has been availed of to set up a 20MW biomass based power project in Tamil Nadu ▪ The loan is repayable in 32 quarterly installments of Rs 4,260,000.00 with a two year moratorium period, and repayment shall commence from March 30, 2006 ▪ The loan has been secured by: <ul style="list-style-type: none"> a. A first pari passu charge on IBETL bank accounts including but not limited to the trust and retention account (into which IBETL shall deposit all cash flow pre and post construction of the 20MW biomass based power project) b. A first charge on the profits of IBETL. c. Mortgage of all existing and future immovable properties or fixed assets of IBETL, and movable properties of IBETL including and pertaining to the 20MW biomass based power project. d. Pledge of shares of promoter's contribution e. Personal guarantee of K Raghu Ramakrishna Raju f. Personal guarantee of K Rama Devi g. Corporate guarantee of IBEL

The following are restrictive provisions in relation to the above loan availed of by IBETL from UCO Bank:

- Promoters must infuse 50% of the proposed equity upfront, and furnish appropriate comfort letters or guarantees for the balance amounts.
- Promoters must finance cost overruns by way of additional equity or unsecured loans from their own source.
- IBETL will take prior consent of UCO Bank to create any charge on their properties and assets during the currency of the credit facilities.
- IBETL will take prior consent of UCO Bank to effect change in capital structure.
- IBETL will take prior consent of UCO Bank to formulate any scheme of amalgamation or reconstruction or to effect any merger or acquisition.
- IBETL will take prior consent of UCO Bank to enter into borrowing arrangements with other financial institutions.
- IBETL will take prior consent of UCO Bank to undertake guarantee obligations on behalf of any company, firm, or person.
- IBETL will take prior consent of UCO Bank to create any further charge, lien, or encumbrance over the properties of IBETL to be charged to UCO Bank.
- IBETL will take prior consent of UCO Bank to take up new projects or a large scale expansion or modernisation or balancing scheme.
- IBETL will take prior consent of UCO Bank to dispose of whole or substantially the whole of its undertaking.
- IBETL will take prior consent of UCO Bank to make investment in or give loans to subsidiaries or group concerns or individuals other than its employees.
- IBETL will take prior consent of UCO Bank to pay dividend other than out of the profits in any year.
- IBETL will take prior consent of UCO Bank to implement any scheme of expansion, modernisation, diversification, renovation, or acquisition of fixed assets except those already approved by the bank.

- IBETL will take prior consent of UCO Bank to invest in the share capital of or to lend or advance funds to, or place deposits with any other business, other than normal trade credit or security deposits in the normal course of business or advance to employees.
- IBETL will take prior consent of UCO Bank to withdraw monies brought in by principal shareholders/ directors/ depositors.
- IBETL will take prior consent of UCO Bank to make a drastic change in management set up.
- IBETL will take prior consent of UCO Bank to effect any change in remuneration payable to the director in the form of sitting fees or otherwise.
- IBETL will take prior consent of UCO Bank to pay guarantee commission to its guarantors whose guarantees have been stipulated/ furnished for the credit limits sanctioned by UCO Bank.
- IBETL will take prior consent of UCO Bank to sell, assign, mortgage, or otherwise dispose off any of the fixed assets charged to UCO Bank.
- IBETL will take prior consent of UCO Bank to undertake any trading activity other than the sale of products arising out of its own manufacturing operations.
- UCO Bank shall reserve the right to discontinue the facility without giving notice in case of non – compliance or breach of any of the terms and conditions stipulated by UCO Bank from time to time.
- UCO Bank may appoint a nominee on the board of directors of IBETL to look after its interests.
- UCO Bank shall hold and retain the title deeds as security for the loan on behalf of IREDA and Andhra Bank as securities for the loans advanced by IREDA and Andhra Bank to the Company.

4. Loan taken by IBETL from IDBI Bank

Facilities agreement dated March 8, 2006, Agreement for the hypothecation of goods and assets dated March 8, 2006

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in million)	Interest	Purpose of Loan/ Repayment/ Security
65.00	65.00	64.44	9.5% per annum (1% below the prime lending Rate of IDBI Bank)	<ul style="list-style-type: none"> ▪ This loan has been availed of for cash credit to meet working capital requirements of IBETL. The loan is repayable in on demand. ▪ The loan has been secured by: <ol style="list-style-type: none"> a. A first exclusive charge by way of hypothecation in favour of IDBI Bank of all of IBETLs current assets, present and future. b. A first exclusive charge on the book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future of IBETL. c. A first exclusive charge on all of IBETL's bank accounts including but not limited to the TRA excluding debt service reserve account, where all cash inflows shall be deposited and all the proceeds shall be utilised in a manner and priority as approved by IDBI Bank. d. Personal guarantee of K Raghu Ramakrishna Raju. e. Second charge on the fixed assets of IBETL.

The following are the restrictive provisions in relation to the above loan availed of by IBETL from IDBI Bank:

- IBETL shall maintain a margin of 40% of the unbilled amount and receivables, 25% of the stocks and other current assets and 100% of the TRA reserves.
- IBETL shall not divert advance to inter corporate deposits, debentures, stocks, shares, real estate business, or other businesses and shall be liable to penal interest of 2% above the interest rate charged by the bank until repayment of the entire sum upon diverting advances to inter corporate deposits, debentures, stocks, shares, real estate business, or other businesses.
- IDBI Bank may withdraw the facilities with 30 days notice in the event of any change in circumstances including but not limited to a material change in the ownership/ shareholding pattern or management of IBETL.

- IBETL's business activities shall be confined to the manufacturing/ trading activities notified by IBETL to the bank.
- IDBI shall have the right to appoint a director or directors on the board of IBETL during the subsistence of the loan.
- IDBI shall have the right to require all calls in respect of share capital or the proceeds of creation of new share capital to be paid towards payment or satisfaction of the principal of the loan.
- IBETL shall take prior consent of the bank to invest its funds in shares, debentures, deposits or other investments of any other company.
- IBETL irrevocably appoints IDBI as its lawful attorney to take over and carry on the business and complete engagements and contracts, to sell, transfer, sign or deal with any goods, moveables, and other assets to wind up IBETL's business, to appoint a proxy or proxies to represent IBETL and vote in meetings of any company in which IBETL holds shares till the loan agreement subsists.
- IBETL shall take prior consent of the bank to vary the shareholding of its directors and principle shareholders and promoters, during the subsistence of the loan agreement.
- IBETL shall take prior consent of the bank to change or in any way alter its capital structure.
- IBETL shall take prior consent of the bank to implement a new scheme of expansion or take up an allied line of business or manufacture or enlarge the scope of the other manufacturing or trading activities undertaken at the time of the application to the bank.
- IBETL shall take prior consent of the bank to withdraw or allow the withdrawal of any monies brought in by the promoters and directors or relatives and friends of the promoters and directors.
- IBETL shall take prior consent of the bank to borrow or obtain facilities of any description from any other bank or credit agencies or to enter into any hire purchase arrangement.
- IBETL shall at all times, maintain sufficient financial interest in the business and shall if considered necessary by the bank, bring additional funds by way of capital, deposits or otherwise, and not withdraw these funds without prior consent of the bank.
- Failure to discharge any other present or future indebtedness when due and payable, or breach of any agreement entered into with a lender of IBETL or acceleration of repayment by any lender of IBETL, is an event of default under the loan agreement.
- Any change in the ownership, management and/or control of IBETL including any change in the chief executive officer, or managing director of IBETL is an event of default under the loan agreement.

Ind-Barath Energies (Maharashtra) Limited

1. *Loan under the Project Finance Scheme availed by IBEML from Industrial Development Bank of India Limited ("IDBI")*

Rupee Loan Agreement (Project Finance Scheme) dated April 4, 2006, Letter of undertaking for non-disposal of shareholdings dated April 4, 2006 from K Raghu Ramakrishna Raju, Letter of undertaking regarding non-receipt of commission from K Raghu Ramakrishna Raju dated April 4, 2006, Undertaking for overrun from K Raghu Ramakrishna Raju dated April 4, 2006, Agreement for pledge of shares dated May 5, 2006 by Company, Letter of Pledge of shares dated April 14, 2007.

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in million)	Interest	Purpose of Loan/Repayment/Security
250.00	250.00	196.43	<ul style="list-style-type: none"> ▪ At IDBI's BPLR (being 10.50% per annum on the date of the agreement) medium term lending rate payable monthly. ▪ 1% per annum penal interest for delays in creation of security ▪ 2% per annum penal interest for delays in payments. ▪ IDBI has the right to reset the interest rate expiry of 3 years from the date of the first disbursement. 	<ul style="list-style-type: none"> ▪ The facility has been availed by IBEML to part finance their 20 MW biomass based power plant project at Nanded (total project cost is Rs. 720.00 million) ("Project"). ▪ The loan is repayable in 28 equal quarterly installments commencing from April 01, 2008 (being 12 months from the date of commercial operations, taking April 01, 2007 as the date). ▪ The loan has been secured by the following <i>pari passu</i> charges: <ol style="list-style-type: none"> a. First charge on all immovable assets, movables, book debts, operating cash flows, receivables, commissions, revenues and intangibles, all banks accounts (including a designated Trust and Retention Account).

- b. First charge on all rights, title, interest, benefits, claims and demands on the project documents.
- c. Pledge of shares held by the promoters to the extent of 30% of the equity in IBEML. This is to be released one year after commencing operation of the project
- d. Personal guarantee of K. Ragu Ramakrishna Raju

The following restrictive provisions are also applicable in relation to the above loan availed of by IBEML from IDBI:

- IBEML is restricted from undertaking any future expansions or make any investments to lease out any assets without the prior approval of the bank.
- IBEML has undertaken to bring at least 50% of the promoters' equity contribution to the Project and spend the proceeds on the Project.
- IBEML is restricted from changing the scope of the Project or the means of financing the project without the prior approval of the bank.
- Any cost overrun of the Project will be brought in by the promoters of IBEML.
- IBEML shall not without the prior approval of the bank, recognise any transfer of shares its promoters for the longer of (i) the duration of the loan, and (ii) the completion of the Project.
- Promoters of IBEML shall not without the prior approval of the bank, transfer, assign, dispose, pledge, charge, or encumber existing or future shareholding in IBEML for the duration of the loan.
- IBEML shall not pay any guarantee commission to any guarantor.
- Promoters of IBEML shall not without the prior approval of the bank, receive any commission from IBEML for any guarantee given on behalf of IBEML.

2. *Credit facilities under availed by IBEML from Industrial Development Bank of India Limited ("IDBI")*

Loan Agreement dated April 10, 2007.

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding (Rs. in million)	Interest	Purpose of Loan/Repayment/Security
70.00	64.70	49.70	<ul style="list-style-type: none"> ▪ At IDBI's BPLR (being 12.75% per annum medium term lending rate) payable monthly. ▪ 1% per annum penal interest for delays in creation of security ▪ 2% per annum penal interest for delays in payments. ▪ IDBI has the right to reset the interest rate on the expiry of every 2 years from the date of the first disbursement. 	<ul style="list-style-type: none"> ▪ The facility has been availed by IBEML to meet project expenditure related to overruns in developing their 20 MW biomass based power plant project at Nanded. ▪ The loan is repayable in 28 equal quarterly installments commencing from April 01, 2008. ▪ The loan has been secured by the following <i>pari passu</i> charges: <ul style="list-style-type: none"> a. First charge on all immovable assets, movables, book debts, operating cash flows, receivables, commissions, revenues and intangibles, all banks accounts (including a designated Trust and Retention Account). b. First charge on all rights, title, interest, benefits, claims and demands on the project documents. c. Pledge of shares held by the promoters to the extent of 30% of the equity in IBEML. This is to be released one year after commencing operation of the project d. Personal guarantee of K. Ragu Ramakrishna Raju

The following restrictive provisions are also applicable in relation to the above loan availed of by IBEML from IDBI:

- IBEML is restricted from undertaking any new project, diversification, modernisation or substantial expansion of the project, or the creation or acquisition of any subsidiaries, without the prior approval of the bank
- IBEML is restricted from prepayment of any of its loans from any other party as availed for the project, without the prior approval of the bank.
- IBEML is restricted from revaluing any of its assets during the currency of the loan, without the prior approval of the bank.
- The bank has the right to require appointments and changes to the managing director, whole time director and technical and executive staff. The bank can also direct the constitution of such committees that may be required by it for monitoring the working of IBEML.
- The bank has the right to appoint a rotational nominee director to the board of IBEML and its committees.
- Events of default under this loan agreement includes cross defaults and cross accelerations of repayment in terms of other indebtedness availed by IBEML.
- Consequences of the occurrence of an event of default include the right to appoint a whole-time director and the right to convert the outstanding amount of the loan into fully paid up equity shares of IBEML, at par.

3. *Term loan from the Indian Overseas Bank (“IOB”)*

Term Loan Agreement dated December 15, 2006, Consent-cum-authorisation letter dated December 15, 2006, and Term Loan Agreement dated April 15, 2008.

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in million)	Interest	Purpose of Loan/Repayment/Security
250.00	250.00	196.00	<ul style="list-style-type: none"> ▪ At IOB’s BPLR (being 11.5% per annum on the date of the agreement). ▪ 2% per annum penal interest for delays in payments. 	<ul style="list-style-type: none"> ▪ The facility has been availed by IBEML to part finance their 20 MW biomass based power plant project at Nanded. ▪ The loan is repayable in 28 equal quarterly installments commencing from December, 2007. ▪ The loan has been secured by the following <i>pari passu</i> charges: <ol style="list-style-type: none"> a. First charge on entire block assets, current assets, stocks and receivables. b. First charge on all book debts, operating cash flows, commissions, revenues and intangibles, all banks accounts (including a designated trust and retention account). c. Pledge of shares held by the promoters to the extent of 30% of the equity in IBEML until the implementation of the project. This is to be released one year after commencing operation of the project

The following restrictive provisions are also applicable in relation to the above loan availed of by IBEML from IDBI:

- IBEML is restricted from implementing any new scheme of expansion or take up any allied line of business or manufacture, without the prior approval of the bank.
- During the currency of the loan, IBEML is restricted from withdrawing or allowing to be withdrawn, any money brought in by it or the proprietors, partners of directors, without the prior approval of the bank.

4. *Cash credit facility from the Indian Overseas Bank (“IOB”)*

Sanction letter dated April 03, 2008, Letter of Hypothecation dated April 14, 2008 Consent-cum-authorisation letter dated April 14, 2008 and Hypothecation of Book Debts dated April 15, 2008.

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding (Rs. in million)	Interest	Purpose of Loan/Repayment/Security
70.00	70.00	70.71	<ul style="list-style-type: none"> ▪ At IOB’s BPLR (being 13.5% per annum on the date of the agreement). ▪ 2% per annum penal interest for non-compliance with terms of sanction. 	<ul style="list-style-type: none"> ▪ The facility has been availed by IBEML against a hypothecation of its stocks and receivables. ▪ The facility is repayable on demand. The hypothecation is to be released on completion of project and ensuring that the plant is ready for commencement of operations. ▪ The loan has been secured by the following <i>pari passu</i> charges: <ol style="list-style-type: none"> a. First charge on all current assets of IBEML; and b. Charge on stocks and receivables; and c. Personal guarantee of K. Raghu Ramakrishna Raju for Rs. 794.10 million (also to be guarantee for the term loan).

Raghu Rama Renewable Energy Limited

1. *Loan Agreement for a Term Loan taken by RRREL from a consortium of lenders.*

Loan Agreement dated September 11, 2003 executed by RRREL, UCO Bank and Power Finance Corporation Limited.

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding (Rs. in million)	Interest	Purpose of Loan/Repayment/Security
400.00	400.00	19.30	8% p.a. subject to reset every three years.	<ul style="list-style-type: none"> ▪ This loan has been availed to part-finance a 300 MW thermal power project at Thoothukudi District in Tamil Nadu. ▪ The loan is repayable in 20 equal quarterly installments commencing from January 15, 2005. ▪ The loan has been secured by: <ol style="list-style-type: none"> a. First mortgage and charge of all RRREL’s immovable properties; b. First charge by way of hypothecation of all RRREL’s movable properties and all intangible receivables, book debts, all cash and revenue deposit in bank accounts including but not limited to trust and retention account, both present and future; c. Assignment by RRREL’s of: a. all receivables, accounts and book debts, present and future; b. right, title, interest of RRREL’s by way of first charge into and under all project documents and guarantees, other performance bond that may be furnished in favour of RRREL by various contractors under the project documents; c. right, title, interest of RRREL by way of first charge in

accounts and in, to and under all government approvals, insurance policies and uncalled capital of RRREL;

- d. Personal guarantee of K. Raghu Ramakrishna Raju and K Rama Devi;
 - e. Corporate guarantee by Ind-Barath Energies Limited;
 - f. Second charge on fixed assets of Ind-Barath Energies Limited;
 - g. pledge of 2,336,800 of the equity shares of RRREL held by NATL Power Limited;
 - h. pledge of 2,163,200 of the equity shares of RRREL held by NATL Technologies Limited;
 - i. pledge of 100% of the equity shares of RRREL held by the Company/promoters, which at no time shall be less than 51% of the issued and subscribed capital of RRREL.
-

The following restrictive provisions are also applicable in relation to the above loan availed of by RRREL:

- RRREL may voluntarily prepay the loan by giving 15 days prior notice and on payment of a prepayment fee.
- RRREL will be obligated to prepay the loan upon the occurrence of any of the following events: receipt of proceeds resulting from expiration, termination or revocation of any authorisation, receipt of insurance proceeds in excess of Rs. 100.00 million, receipt of any expropriation proceeds or receipt of proceeds resulting from liquidated damages or an arbitral or judicial award in connection with any project documents.
- RRREL shall not, without the prior consent of the Senior Lenders, raise any additional funding except for working capital, subordinate debt and unsecured interest free loans.
- The Company will fund the cost overruns.
- The Company will bring in additional equity in RRREL in case of any shortfall in the equity finance plan.
- The Company will retain management control in RRREL during the term of the loan.
- K. Raghu Ramakrishna Raju will not cede management control in the Company without the prior written consent of the Senior Lenders.
- The Company must infuse 50% of the equity upfront.
- RRREL will use the proceeds of the loan
- The Senior Lenders may appoint a nominee on the board of directors of RRREL.
- The debt to equity ratio of RRREL will not exceed 3:1.
- The debt service coverage ratio will be a minimum of 1.33 times.
- The fixed asset coverage ratio will be a minimum of 1.30 times.
- RRREL shall pay dividend only if no event of default under financing documents has occurred or is subsisting, DSRA is fully funded, and all financial covenants are met. No dividend will be declared during the moratorium period.
- The ratio of total outstanding debt to tangible net worth will not exceed 3.00.
- RRREL will not effect any change in the capital structure.
- RRREL will not, without the prior consent of the Senior Lenders, carry out any major change in the management, involving transfer of ownership of RRREL.
- RRREL will not be permitted to transfer controlling interest or enter into any management contract or similar arrangement whereby its operations are managed by any other person.
- RRREL shall not enter into any transaction of consolidation or merger or reorganisation or scheme of amalgamation without the prior consent of the Senior Lenders.
- RRREL will not, without the prior approval of the bank, cancel or terminate any Project document, to sell or assign or dispose any rights in the Project documents, waive or fail to enforce any rights thereunder, or amend or modify any of such documents.
- On the occurrence of an event of default, the Senior Lenders can exercise any of the rights under the agreement including levy of default interest.

2. *Loan taken by RRREL from UCO Bank*

Sanction letter dated February 18, 2008, Omnibus agreement dated February 28, 2008

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in million)	Interest	Purpose of Loan/Repayment/Security
80.00	80.00	74.68	13.5% p.a.	<ul style="list-style-type: none"> ▪ This loan has been availed of as a cash credit facility. ▪ The loan is repayable on demand. ▪ The loan has been secured by: <ul style="list-style-type: none"> a. First mortgage and charge of all RRREL's immovable properties; b. First charge by way of hypothecation of all RRREL's movable properties and all intangible receivables, book debts, all cash and revenue deposit in bank accounts including but not limited to trust and retention account, both present and future; c. Assignment by RRREL's of: <ul style="list-style-type: none"> a. all receivables, accounts and book debts, present and future; b. right, title, interest of RRREL's by way of first charge into and under all project documents and guarantees, other performance bond that may be furnished in favour of RRREL by various contractors under the project documents; c. right, title, interest of RRREL by way of first charge in accounts and in, to and under all government approvals, insurance policies and uncalled capital of RRREL; d. Personal guarantee of K. Raghu Ramakrishna Raju and K Rama Devi; e. Corporate guarantee by Ind-Barath Energies Limited; f. Second charge on fixed assets of Ind-Barath Energies Limited; g. pledge of 2,336,800 of the equity shares of RRREL held by NATL Power Limited; h. pledge of 2,163,200 of the equity shares of RRREL held by NATL Technologies Limited; i. pledge of 100% of the equity shares of RRREL held by the Company/promoters, which at no time shall be less than 51% of the issued and subscribed capital of RRREL.

The following restrictive provisions are also applicable in relation to the above loan availed of by RRREL:

- RRREL shall maintain overall minimum margin of 25% on stocks and 40% on book debts.
- RRREL shall adequately insure all of its assets.
- RRREL shall seek prior permission of the bank to effect any change in its capital structure.
- RRREL shall seek prior permission of the bank to implement any scheme of expansion or modernisation, diversification or renovation or to acquire any fixed assets.
- RRREL shall seek prior permission of the bank to formulate any scheme of amalgamation, reconstruction or restructuring.
- RRREL shall seek prior permission of the bank to invest by way of share capital in or to lend or advance funds to or place deposits with any other concern except in the normal course of business.

- RRREL shall seek prior permission of the bank to enter into borrowing arrangements, either secured or unsecured with any other bank, financial institution or person.
- RRREL shall seek prior permission of the bank to undertake guarantee obligations on behalf of any person.
- RRREL shall seek prior permission of the bank to declare dividends for any particular year, except out of the profits of the year, after make due provisions, and provided all repayment obligations have been fulfilled.
- RRREL shall seek prior permission of the bank to allow withdrawal of monies brought in by the principal shareholders, directors and depositors of RRREL.
- RRREL shall seek prior permission of the bank to make a drastic change in their management set up.
- RRREL shall seek prior permission of the bank to pay guarantee or commission to its guarantors.
- RRREL shall seek prior permission of the bank to create any further charge or encumbrance over its assets and properties in favour of any other bank or financial institution or person.
- RRREL shall seek prior permission of the bank to undertake any activity other than those for which the facility has been sanctioned.
- RRREL shall keep the bank informed of any event likely to have a substantial effect on its profits or business, or the financial position of their subsidiaries or group companies or companies in which RRREL has invested.

Ind-Barath Energies Limited

1. Working Capital loan taken by IBEL from UCO Bank

Letter of sanction dated March 18, 2002, Letter for the hypothecation of book debts to secure demand cash-credit dated ●

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in million)	Interest	Purpose of Loan/Repayment/Security
32.50	32.50	32.65	Minimum of 13.5% p.a (2% over the PLR of UCO Bank)	<ul style="list-style-type: none"> ▪ The facility has been availed by IBEL as a cash credit facility. ▪ The facility is repayable on demand. ▪ The loan has been secured by the following securities: <ol style="list-style-type: none"> a. An on demand promissory note for Rs. 32,500,000.00 b. Hypothecation of all present and future book debts of IBEL

The following restrictive provisions are applicable in relation to the above loan availed of by IBEL:

- IBEL will maintain a margin of 25% for stocks and 40% for receivables at all times during subsistence of this facility.
- IBEL will take prior permission of the bank to effect change in its capital structure
- IBEL will take prior permission of the bank to implement any scheme of expansion, modernisation, diversification, renovation, or acquire any fixed assets.
- IBEL will take prior permission of the bank to formulate any scheme of amalgamation or reconstruction.
- IBEL will take prior permission of the bank to invest by way of share capital in or lend or advance funds to, or place deposits with any concern, except in the ordinary course of business.
- IBEL will take prior permission of the bank to enter into any borrowing arrangements with any other bank, financial institution or other persons.
- IBEL will take prior permission of the bank to undertake guarantee obligations on behalf of other persons.
- IBEL will take prior permission of the bank to declare divided for a year except out of the profits after making due and relevant provisions, and only if no default subsists in repayment obligations.
- IBEL will take prior permission of the bank to allow withdrawal of monies brought in by principal shareholders, directors, or depositors.
- IBEL will take prior permission of the bank to carry out a drastic change in management set up.
- IBEL will insure standing charges and loss of profit in addition to normal insurance in the event of stoppage of production for any reason.
- IBEL will take prior permission of the bank to effect any change of remuneration payable to directors.

- IBEL will take prior permission of the bank to pay guarantee commission to its guarantors.
- IBEL will take prior permission of the bank to create any further encumbrance over securities provided to the bank.
- IBEL will take prior permission of the bank to sell, assign, mortgage, or dispose off any assets charged to the bank.
- IBEL will take prior permission of the bank to undertake any trading activity other than of the products from its existing operations.
- IBEL shall keep the bank informed of any event likely to have a substantial effect on their profits or business.

Dharmshala Hydro Power Limited

2 x 2.5 MW Maujhi II small hydro power project at Kangra District, Himachal Pradesh

1. Loan taken by DHPL from IREDA

Loan agreement dated November 12, 2009

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in millions)	Interest	Purpose of Loan/ Repayment/ Security
44.00	44.00	28.29	12.15% per annum (+) interest tax at applicable rates. Additional 2.5% p.a. upon default in payment of instalment of principal, interest, and other monies under the agreement, for the period of default.	<ul style="list-style-type: none"> ▪ This loan has been availed of to set up a 5 MW (2 x 2.5 MW) Maujhi II small hydro power project at Thatri Village, Kangra District, Himachal Pradesh. ▪ The loan is repayable in 27 quarterly instalments of Rs. 1,630,000.00 starting December 31, 2009. ▪ The loan has been secured by: <ol style="list-style-type: none"> a. mortgage of all immovable properties b. hypothecation of movable assets. c. Personal guarantee of K Raghu Ramakrishna Raju, K Rama Devi d. Corporate guarantee of Network Power Private Limited, and Ind-Barath Power Infra Private Limited e. DHPL shall open a trust and retention account with a scheduled bank for servicing IREDA repayment/ payment of instalment of loans, interest, liquidated damages and other monies and shall deposit the sale proceeds of power and other monies in respect of the project/ business, and shall create a reserve of amounts equivalent to repayment of two quarters of principal and interest amount. f. Post dated cheques towards payment of instalments of principal, and payment of instalments of interest on the loan, towards repayment of the loan.

The following provisions are the restrictive provisions in relation to the above loan availed of by DHPL from IREDA:

- If the mortgage of forest land to IREDA is not permitted, and if there is any default by DHPL in meeting commitments to IREDA including repayment of loan with interest and other monies thereon, IREDA may sell the land to third parties and such third parties will be allowed to run the project on forest land on the same terms and conditions as DHPL.
- IREDA shall be entitled to appoint a nominee director on the board of directors of DHPL at any time during the currency of the loan agreement.
- DHPL will not sell CERs/ VERs of the project without prior consent of IREDA.
- DHPL will not change its constitution in any way, or go for merger/ demerger/ amalgamation and/ or any scheme of arrangement without the prior consent of IREDA.
- DHPL shall not change supplier(s) of machineries already approved by IREDA without prior consent of IREDA.

- DHPL will not invest any part of the loan money advanced, as deposits, loans, share capital, or otherwise in any concern without the prior consent of IREDA.
- DHPL will, if any subsidy or grant or loan is sanctioned to it by any bank/ institution/ government or government agency, over and above the means of finance, utilise such sums of money received towards reduction of loan of IREDA.
- DHPL will obtain a no-objection / clearance from IREDA before availing any loan and/ or subsidy and/ or grant and/ or incentive/ benefits under the clean development mechanism or carbon credit program by any bank or government or international agency/ institution.
- DHPL shall obtain prior consent of IREDA if the procurement of equipment, plant and machinery is made from the machinery suppliers and civil contracts is made from firms and companies which are group companies of DHPL or the directors of DHPL are associated or interested in.
- DHPL will not go for borrowing of loan from any financial institution/ bank over and above the approved means of finance and / or for setting up new projects and/ or for substantial expansion of existing projects involving capital expenditure without the prior consent of IREDA.

2. Loan taken by DHPL from IREDA

Loan agreement dated January 30, 2006

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in millions)	Interest	Purpose of Loan/ Repayment/ Security
192.80	192.80	192.80	11.50% per annum (+) interest tax at applicable rates. Additional 5.00% p.a. upon default in payment of instalment of principal, interest, and other monies under the agreement, for the period of default. Lump sum upfront fee of 1.30% p.a.	<ul style="list-style-type: none"> ▪ This loan has been availed of to set up a 5 MW (2 x 2.5 MW) Maujhi II small hydro power project at Thatri Village, Kangra District, Himachal Pradesh. ▪ The loan is repayable in quarterly instalments of Rs. 6,905,000.00 starting September 30, 2009 (first instalment) and the next instalments will be of Rs. 68,85,000.00. ▪ The loan has been secured by: <ol style="list-style-type: none"> a. mortgage of all immovable properties b. hypothecation of movable assets. c. Personal guarantee of K Raghu Ramakrishna Raju, K Rama Devi d. Corporate guarantee of Network Power Private Limited, and Ind-Barath Power Infra Private Limited e. DHPL shall open a trust and retention account with a scheduled bank for servicing IREDA repayment/ payment of instalment of loans, interest, liquidated damages and other monies and shall deposit the sale proceeds of power and other monies in respect of the project/ business, and shall create a reserve of amounts equivalent to repayment of two quarters of principal and interest amount. f. Post dated cheques towards payment of instalments of principal, and payment of instalments of interest on the loan, towards repayment of the loan.

The following provisions are the restrictive provisions in relation to the above loan availed of by DHPL from IREDA:

- IREDA shall be entitled to appoint a nominee director on the board of directors of DHPL at any time during the currency of the loan agreement.
- DHPL to bring in 50% of the equity in the form of capital before the first disbursement from IREDA.
- DHPL will not change its constitution in any way, or go for merger/ demerger/ amalgamation and/ or any scheme of arrangement without the prior consent of IREDA.
- DHPL shall not change supplier(s) of machineries already approved by IREDA without prior consent of IREDA.
- DHPL will not invest any part of the loan money advanced, as deposits, loans, share capital, or otherwise in any concern without the prior consent of IREDA.

- DHPL will, if any subsidy or grant or loan is sanctioned to it by any bank/ institution/ government or government agency, over and above the means of finance, utilise such sums of money received towards reduction of loan of IREDA.
- DHPL will obtain a no-objection / clearance from IREDA before availing any loan and/ or subsidy and/ or grant and/ or incentive/ benefits under the clean development mechanism or carbon credit program by any bank or government or international agency/ institution.
- DHPL shall obtain prior consent of IREDA if the procurement of equipment, plant and machinery is made from the machinery suppliers and civil contracts is made from firms and companies which are group companies of DHPL or the directors of DHPL are associated or interested in.
- DHPL will not go for borrowing of loan from any financial institution/ bank over and above the approved means of finance and / or for setting up new projects and/ or for substantial expansion of existing projects involving capital expenditure without the prior consent of IREDA.

Ind-Barath Thermal Power Limited

1. Common Loan Agreement for a Term Loan taken by IBTPL from a consortium of senior lenders.

Common Loan Agreement dated April 12, 2008 executed by IBTPL and a consortium of senior lenders i.e. Punjab National Bank, Canara Bank, UCO Bank, Vijaya Bank, L&T Infrastructure Finance Company Limited, State Bank of Mysore, State Bank of Travancore, Axis Bank Limited, Bank of India, Indian Bank, State Bank of Indore and Syndicate Bank (together the “**Senior Lenders**”). Inter-creditor Agreement dated April 12, 2008 executed between the Senior Lenders. Security Trustee Agreement dated April 12, 2008 executed between Punjab National Bank (Facility Agent), Senior Lenders, IL&FS Trust Company Limited (Security Agent) and Ind-Barath Power (Karwar) Limited (Borrower). Escrow Agreement dated April 12, 2008 executed between Punjab National Bank (Escrow Agent), Senior Lenders, Ind-Barath Power (Karwar) Limited. Joint Deed of Hypothecation dated May 02, 2008 executed between Ind-Barath Power (Karwar) Limited and IL&FS Trust Company Limited (Security Agent). Undertaking dated March 31, 2008 given by K. Raghu Ramakrishna Raju in favour of the Senior Lenders undertaking that the Company will not cede management control of IBTPL without prior written consent of the Senior Lenders. Undertaking dated March 31, 2008 given by IBTPL in favour of the Senior Lenders in terms of the Common Loan Agreement

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in million)	Interest	Purpose of Loan/Repayment/Security
9418.00	1195.60	1195.60	<p>The interest rates charged by different banks and listed below:</p> <ul style="list-style-type: none"> ▪ Punjab National Bank – 11.5% p.a (BPLR + term premia of 0.5% - 1.5%) ▪ Canara Bank – 11.5% p.a. floating (BPLR – 1.25%) ▪ UCO Bank – 11.5% p.a. fixed up to COD or 30 months from date of first draw down, and floating thereafter at BPLR – 2% ▪ Vijaya Bank – 11.5% p.a. floating (BPLR – 1.75% + 0.25% term premia) ▪ L&T Infrastructure Finance Company Limited – 11.5% p.a. fixed until COD or 30 months from the first draw-down, whichever is later, and floating post COD at SBI PLR – 	<ul style="list-style-type: none"> ▪ This loan has been availed as a term loan to part finance its 300 MW thermal power project at Thoothukudi District in Tamil Nadu. ▪ The loan is repayable in 40 equal quarterly installments commencing from 36 months from the date of the first drawdown or six months after the commercial operations date, whichever is earlier. ▪ The loan has been secured by: <ol style="list-style-type: none"> (i) First mortgage and charge of all IBTPL’s immovable properties; (ii) First charge by way of hypothecation of all IBTPL’s movable properties and all intangible receivables, book debts, all cash and revenue deposit in bank accounts including but not limited to trust and retention account, both present and future; (iii) Assignment by IBTPL’s of: a. all receivables, accounts and book debts, present and future; b. right, title, interest of IBTPL’s by way of first charge into and under all project documents and guarantees, other performance bond that may be furnished in favour of IBTPL by various contractors under the project documents; c. right, title, interest of IBTPL by way of first charge in

<ul style="list-style-type: none"> 0.75% ▪ State Bank of Mysore – 11.5% fixed till COD or 30 months from date of documentation, whichever is earlier. ▪ State Bank of Travancore – 11.5% floating (SBI PLR – 1.5%) ▪ Axis Bank Limited – 11.5% p.a. floating (BPLR – 3.25%) ▪ Bank of India – 11.5% p.a. fixed till COD and floating post COD linked to WABR calculated at the end of every 6 months on April 1, and October 1, each financial year. ▪ Indian Bank – 11.5% p.a. fixed till COD or 30 months from date of disbursement, whichever is earlier, and floating after COD (BPLR + term premia of 0.5% - 1.5%) ▪ State Bank of Indore – 11.5% p.a. fixed till COD or 30 months from date of disbursement, whichever is earlier. ▪ Syndicate Bank – 11.5% p.a. fixed up to COD and thereafter linked to WABR. 	<p>accounts and in, to and under all government approvals, insurance policies and uncalled capital of IBTPL;</p> <ul style="list-style-type: none"> (iv) First charge on the debt service reserve account; (v) First charge on all intangible assets of IBTPL; (vi) pledge of 51% of the equity shares of IBTPL held by the Company; (vii) Second pari passu charge by way of hypothecation of the entire current assets of IBTPL.
---	--

The following restrictive provisions are also applicable in relation to the above loan availed of by IBTPL:

- IBTPL may voluntarily prepay the loan by giving 15 days prior notice and on payment of a prepayment fee.
- IBTPL will be obligated to prepay the loan upon the occurrence of any of the following events: receipt of proceeds resulting from expiration, termination or revocation of any authorisation, receipt of insurance proceeds in excess of Rs. 100.00 million, receipt of any expropriation proceeds or receipt of proceeds resulting from liquidated damages or an arbitral or judicial award in connection with any project documents.
- IBTPL shall not, without the prior consent of the Senior Lenders, raise any additional funding except for working capital, subordinate debt and unsecured interest free loans.
- The Company will fund the cost overruns.
- The Company will bring in additional equity in IBTPL in case of any shortfall in the equity finance plan.
- The Company will retain management control in IBTPL during the term of the loan.
- K. Raghu Ramakrishna Raju will not cede management control in the Company without the prior written consent of the Senior Lenders.
- The Company must infuse 50% of the equity upfront.
- IBTPL will use the proceeds of the loan
- The Senior Lenders may appoint a nominee on the board of directors of IBTPL.
- The debt to equity ratio of IBTPL will not exceed 3:1.
- The debt service coverage ratio will be a minimum of 1.33 times.
- The fixed asset coverage ratio will be a minimum of 1.30 times.

- IBTPL shall pay dividend only if no event of default under financing documents has occurred or is subsisting, DSRA is fully funded, and all financial covenants are met. No dividend will be declared during the moratorium period.
- The ratio of total outstanding debt to tangible net worth will not exceed 3.00.
- IBTPL will not effect any change in the capital structure.
- IBTPL will not, without the prior consent of the Senior Lenders, carry out any major change in the management, involving transfer of ownership of IBTPL.
- IBTPL will not be permitted to transfer controlling interest or enter into any management contract or similar arrangement whereby its operations are managed by any other person.
- IBTPL shall not enter into any transaction of consolidation or merger or reorganisation or scheme of amalgamation without the prior consent of the Senior Lenders.
- IBTPL will not, without the prior approval of the bank, cancel or terminate any Project document, to sell or assign or dispose any rights in the Project documents, waive or fail to enforce any rights thereunder, or amend or modify any of such documents.
- On the occurrence of an event of default, the Senior Lenders can exercise any of the rights under the agreement including levy of default interest.

2. Common Loan Agreement for a Term Loan taken by IBTPL from a consortium of Subordinate Lenders

Common loan agreement for subordinate debt dated March 31, 2008 between IBTPL and Bank of India, Oriental Bank of Commerce, Indian Bank, IL&FS, UCO Bank, Indian Overseas Bank, Central Bank of India, Vijaya Bank, Bank of Maharashtra, Dena Bank, United Bank of India, Corporation Bank, Canara Bank, and Syndicate Bank (together the “**Subordinate Lenders**”).

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in million)	Interest	Purpose of Loan/Repayment/Security
328.00	162.00	162.00	14% p.a. with additional interest of 1% p.a. till creation of security and 1% p.a. as liquidated damages upon default in payment of instalments of principal or interest under this agreement for the period of default.	<ul style="list-style-type: none"> ▪ This loan has been availed for the development, construction and operation of a 300 MW (2 x 150 MW) coal based power plant in Karnataka, at Honkan Village, Uttara Kannada District (“Project”). ▪ The loan is repayable in 40 equal quarterly instalments commencing from 36 months from the date of the first drawdown or six months after the commercial operations date, whichever is earlier. The lenders shall get pro rata share of the quarterly instalments and the interest payments. ▪ The loan has been secured by: <ul style="list-style-type: none"> a. Second mortgage and charge of all IBTPL’s immovable properties; b. Second charge by way of hypothecation of all IBTPL’s movable properties and all intangible receivables, book debts, all cash and revenue deposit in bank accounts including but not limited to trust and retention account, both present and future; c. Second ranking assignment by IBTPL’s of: a. all receivables, accounts and book debts, present and future; b. right, title, interest of IBTPL’s by way of first charge into and under all project documents and guarantees, other performance bond that may be furnished in favour of IBTPL by various contractors under the project documents; c. right, title, interest of IBTPL by way of first charge in accounts and in, to and under all government approvals, insurance policies and uncalled capital of IBTPL; d. Second charge on the debt service

-
- reserve account;
 - e. Second charge on all intangible assets of IBTPL;
 - f. Second ranking pledge of 51% of the equity shares of IBTPL held by the Company;
-

The following restrictive provisions are also applicable in relation to the above loan availed of by IBTPL:

- IBTPL will be obligated to prepay the loan upon the occurrence of any of the following events: receipt of proceeds resulting from expiration, termination or revocation of any authorisation, receipt of insurance proceeds in excess of Rs. 100.00million, receipt of any expropriation proceeds or receipt of proceeds resulting from liquidated damages or an arbitral or judicial award in connection with any Project documents.
- IBTPL shall maintain a debt service reserve account (“**DSRA**”) equal to 6 months principal plus interest.
- IBTPL shall invest funds in the DSRA only for permitted investments such as dated securities issued by the government of India, deposits or certificates of deposits with commercial banks or financial institutions, units of mutual funds managed by reputed financial institutions and asset management companies, short term commercial papers rated by a generally accepted rating agency and having minimum rating of PI + or AAA equivalent, non convertible debentures, bonds, or fixed deposits having not less than an AA rating or equivalent, or if unrated, having been issued by an issuer having a minimum of PI or AA equivalent rating.
- Treasury bills or debt instruments issued by the Government of India or backed by full Government of India guarantee, or other authorised investments which may be permitted from time to time in accordance with the common loan agreement for subordinated debt.
- IBTPL shall not, without the prior consent of the Subordinate Lenders, undertake any new Project, diversification, modernisation or substantial expansion of the Project, without the prior written intimation to the Subordinate Lenders.
- IBTPL shall not, without the prior consent of IL&FS Trust Company (“**Lender’s Agent**”), effect any change in its capital structure whereby the equity of the Company is reduced to less than 100% of the paid up equity share capital of IBTPL.
- IBTPL shall not issue any debentures or contract or create, incur, assume or suffer any indebtedness except as permitted by the Subordinate Lenders.
- IBTPL shall not create, incur, assume, or suffer to exist, any security interest upon or with respect to any property or revenue or assets of IBTPL owned or acquired subsequent to the loan, except as permitted by the Subordinate Lenders.
- IBTPL shall not make any investment in any entity or undertake capital expenditure other than routine maintenance expenditure without the prior consent of the Subordinate Lenders.
- IBTPL shall not pay any commission to the Company or its directors or managers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability in connection with any financial assistance obtained by IBTPL for the purpose of the Project.
- IBTPL shall not without prior consent of Lender’s Agent, lend to the Company from the funds of the loan.
- IBTPL shall not wind-up, liquidate, or dissolve its affairs, enter into any transaction or scheme for the merger demerger, arrangement, reconstruction, consolidation or reorganisation of IBTPL or undertake any scheme for the composition or arrangement with its creditors without prior permission of the Lender’s Agent.
- IBTPL shall not carry on any business other than the implementation, operation and maintenance of the Project, and shall not take any action by acquisition or otherwise, which would result in the material alteration of the nature of the business of IBTPL or the nature or scope of the Project.
- IBTPL shall not abandon or agree to abandon the Project.
- IBTPL shall not terminate, or modify or grant waivers under the Project documents without prior written consent of the Lender’s Agent.
- IBTPL shall not grant any loans or advances or provide any guarantee to any person other than advances to employees.
- IBTPL shall not revalue its assets during the currency of the loan.
- IBTPL shall not make any drastic change in its management or enter into any management contract or similar arrangement whereby its business or operations are managed by any other person except as permitted by the Subordinated Lenders.

- IBTPL shall not amend or modify its memorandum or articles of association.
- IBTPL shall not change its name and address without prior approval of the Lender’s Agent.
- IBTPL shall not, assign, transfer, or permit the assignment or transfer of any of its revenues or receivables or place any of its receivables in escrow except for the creation of a security interest for the benefit of the Subordinate Lenders permitted by them.
- IBTPL shall not pay interest on capital.
- IBTPL shall not allow withdrawal of monies brought in by the Company/ directors/ depositors for the Project, without prior permission of the Lender’s Agent.
- IBTPL shall not repay any debt/ loan from IBPTL without prior consent from the Subordinate Lenders or Lender’s Agent.
- IBTPL shall not recognise or transfer any controller interest in IBTPL by IBPIL.
- IBTPL shall not issue any guarantees to any company.
- IBTPL undertaking modernisation/ diversification, substantial expansion, effecting a change in capital structure of IBTPL, taking loans, issuing debentures/ bonds or creating a security interest is an event of default under this agreement, upon which, if IBTPL does not cure the default within 90 days, IL&FS Trust Company (“**Security Trustee**”) may accelerate maturity of the loan, or assume management control of IBTPL or restructure is management setups, assume ownership of the Project or sell a part of or the entire equity of IBTPL to the extent pledged to the Subordinated Lenders to a third party, or bring in a third party operator to operate and maintain the Project/ infrastructure facilities, or enforce security.
- Subordinate Lenders may appoint nominee directors, or appoint and remove whole time directors on the board of IBTPL upon an event of default.
- Upon an event of default, IBTPL shall not prepay or redeem for value, any indebtedness of IBTPL prior to its scheduled maturity, make investment in any entity, or undertake capital expenditure other than routine maintenance expenditure.
- The Company retain all equity in IBTPL.
- The Company will bring in additional equity in IBTPL in case of any shortfall in the equity finance plan.
- The Company will retain management control in IBTPL during the term of the loan.
- K. Raghu Ramakrishna Raju will not cede management control in the Company without the prior written consent of the Senior Lenders.
- The Company must infuse 50% of the equity upfront.

3. ***Consortium loan taken by IBTPL from L&T Infrastructure Finance Company Limited and State Bank of Mysore***

Subordinate debt agreement dated May 02, 2008 with L&T Infrastructure Finance Company Limited and State Bank of Mysore (together the “**Subordinate Lenders**”)

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding as on March 31, 2010 (Rs. in million)	Interest	Purpose of Loan/Repayment/Security
300.00 (200 by L&T Infrastructure Finance Company Limited, and 100 by State Bank of Mysore)	148.00	148.00	The interest rates charged by different banks and listed below: L&T Infrastructure: 14% p.a. (SBI PLR + 1.75%) fixed until COD or 30 months from the date of first draw-down, whichever is later, and floating post COD, linked to SBI PLR. State Bank of Mysore: 14% p.a. fixed until COD or 30 months from the date of first draw-down, whichever is earlier, and determined thereafter as a simple average of the semi annual bid yields of 5 years G Sec	<ul style="list-style-type: none"> ▪ This loan has been availed for the development, construction and operation of a 300 MW (2 x 150 MW) coal based power plant in Karnataka, at Honkan Village, Uttara Kannada District (“Project”). ▪ The loan is repayable in 40 equal quarterly installments commencing from 36 months from the date of the first drawdown or six months after the commercial operations date, whichever is earlier. The lenders shall get pro rata share of the quarterly instalments and the interest payments – L& T Infrastructure Finance Company Limited will be paid Rs. 5,000,000.00 each instalment, and State Bank of Mysore shall be paid Rs. 2,500,000.00 each instalment. ▪ The loan has been secured by: <ul style="list-style-type: none"> a. Second mortgage and charge of all IBTPL’s immovable properties; b. Second charge by way of

	for 30 days preceding the date of documentation + spread.	<p>hypothecation of all IBTPL's movable properties and all intangible receivables, book debts, all cash and revenue deposit in bank accounts including but not limited to trust and retention account, both present and future;</p> <p>c. Second ranking assignment by IBTPL's of: a. all receivables, accounts and book debts, present and future; b. right, title, interest of IBTPL's by way of first charge into and under all project documents and guarantees, other performance bond that may be furnished in favour of IBTPL by various contractors under the project documents; c. right, title, interest of IBTPL by way of first charge in accounts and in, to and under all government approvals, insurance policies and uncalled capital of IBTPL;</p> <p>d. Second charge on the debt service reserve account;</p> <p>e. Second charge on all intangible assets of IBTPL;</p> <p>f. Second ranking pledge of 51% of the equity shares of IBTPL held by the Company;</p>
--	---	---

The following restrictive provisions are also applicable in relation to the above loan availed of by IBTPL:

- The Company retain all equity in IBTPL.
- The Company will bring in additional equity in IBTPL in case of any shortfall in the equity finance plan.
- The Company will retain management control in IBTPL during the term of the loan.
- K. Raghu Ramakrishna Raju will not cede management control in the Company without the prior written consent of the Senior Lenders.
- The Company must infuse 50% of the equity upfront.
- IBTPL shall ensure that the debt to equity ratio for the Project shall not exceed 4:1.
- IBTPL shall open and maintain a debt service reserve account (“**DSRA**”) till outstanding dues are fully repaid to the Subordinate Lenders. The DSRA shall be equivalent to 6 months principal plus interest.
- The fixed assets coverage ratio (“**FACR**”) for the loan shall be a minimum of 1.30 times.
- IBTPL shall not declare dividend unless there is no default under the loan agreement, the DSRA is fully funded, and no dividend is declared and paid during the moratorium period.
- IBTPL shall not change its capital structure which may result in violation of the shareholding of the Company in IBTPL under the loan agreement.
- IBTPL shall not without the prior approval of the Subordinate Lenders, carry out any major change in the management of IBTPL.
- IBTPL shall take prior consent of the Subordinate Lenders for further borrowings except working capital borrowings.
- IBTPL shall not create, incur, assume or suffer to exist, any security interest upon or with respect to any property, revenue or assets except in the ordinary course of business.
- IBTPL shall not pay dividends or other distributions on equity, set apart money for any purpose other than as permitted by the Subordinate Lenders, purchase, redeem, retire or acquire any equity, distribute any warrants or options or any payment of interest, principal or other sum in relation to subordinate debt, or make investment other than as permitted by the Subordinate Lenders.
- IBTPL shall not pay any commission to its directors or managers or other persons for undertaking any liability on behalf of IBTPL, without the prior consent of the Subordinate Lenders.
- IBTPL shall not wind-up, liquidate, or dissolve its affairs, enter into any transaction or scheme for the merger, demerger, amalgamation, arrangement, reconstruction, consolidation, or reorganisation of IBTPL, or undertake any scheme for composition or arrangement with its creditors, without the prior consent of the Subordinated Lenders.
- IBTPL shall not carry on any business other than the implementation, operation and maintenance of the Project, and shall not take any action by acquisition or otherwise, which would result in the material alteration of the nature of the business of IBTPL or the nature or scope of the Project, unless such

amounts are financed out of proceeds from investment or from long term funds received for the purpose.

- IBTPL shall not abandon or agree to abandon the Project.
- IBTPL shall not make any loans, guarantees or advances to any person other than employees or as required for the Project, and shall not issue any guarantee.
- IBTPL shall not revalue its assets during the currency of the loan.
- IBETL shall not permit the transfer of controlling interest or enter into any management contract or similar arrangement whereby its business or operations are managed by any person other than as permitted.
- IBTPL shall not amend or modify its memorandum or articles of association.
- IBTPL shall not change its name and address without prior approval of the Subordinate Lenders.
- IBTPL shall not assign, transfer, or permit the assignment or transfer of any of its receivables except in favour of working capital lenders.
- IBTPL shall not enter into any derivative transaction for speculative purposes or assume the obligations of any party to any derivative transaction.
- IBTPL shall not allow withdrawal of monies brought in by the Company/ directors/ depositors for the Project, without prior permission of the Subordinate Lenders.
- Any failure to complete the project within 12 months of the COD is an event of default under this loan.
- Upon a default under the loan agreement, the Subordinate Lenders may appoint and remove from time to time, one additional nominee director on the board of directors of IBTPL.

Ind-Barath Energy (Utkal) Limited

1. Loan taken by IBEUL from a consortium of lenders

Common rupee term loan agreement dated March 29, 2010 with Power Finance Corporation Limited (“PFC”), Andhra Bank, Axis Bank, Bank of India, Bank of Baroda, Corporation Bank, Jammu & Kashmir Bank Limited, Karnataka Bank Limited, L&T Infrastructure and Finance Company Limited (“L&T”), Punjab National Bank (“PNB”), UCO Bank, Union Bank of India (“UBI”), United Bank of India (“UB”), (collectively the “Lenders”), Axis Trustee Services Limited (“Security Trustee”), and Power Finance Corporation Limited (acting as “Lenders Agent”), Security Trustee Agreement dated March 29, 2010 with Lenders, Security Trustee, and Lenders Agent, Unattested Memorandum of Hypothecation dated March 29, 2010 with Axis Trustee Services Limited, Trust and Retention Account Agreement dated March 29, 2010 with Lenders, Security Trustee, Lenders Agent, and Axis Bank (“Account Bank”), Lender’s Agent Agreement dated March 29, 2009 with Lenders, Security Trustee, and Lenders Agent, Undertaking dated March 29, 2009 by IBEUL to Lenders, Security Trustee, and Lenders Agent, Undertaking dated March 29, 2009 by Company to Lenders, Security Trustee, and Lenders Agent.

Sanctioned amount (Rs. in million)	Amount availed as on March 31, 2010 (Rs. in million)	Amount outstanding (Rs. in million)	Interest	Purpose of Loan/Repayment/Security
23,890.00 (with a sub-limit of Rs. 3650.00 million as a letter of credit facility)	Nil	Nil	<ul style="list-style-type: none"> ▪ 11.75% p.a. for all Lenders excluding PFC, linked to BPLR ▪ 11.25% p.a for PFC 	<ul style="list-style-type: none"> ▪ This loan has been availed of to part finance the cost of the 2x350 MW coal based thermal power project at Sahajbahal in Jharsuguda district of Orissa (“Project”). ▪ The loan is repayable to: <ol style="list-style-type: none"> a. PFC in 47 quarterly instalments of Rs. 229,166,667.00 each and final installment of Rs. 229,166,651.00, six months after the commercial operations date of the project, starting October 15, 2012 and b. to the other Lenders in 40 quarterly instalments starting April 01, 2013 of: <ul style="list-style-type: none"> ▪ Rs. 45,000,000.00 each to each of PNB and UCO Bank ▪ Rs. 28,750,000.00 each to each of Andhra Bank, Bank of Baroda, Bank of India, and Union Bank of India

-
- Rs. 25,000,000.00 each to Axis Bank
 - Rs. 22,500,000.00 each to Corporation Bank
 - Rs. 17,500,000.00 each to L&T
 - Rs. 15,000,000.00 each to each of Karnataka Bank and United Bank,
 - Rs. 7,250,000.00 to Karur Vysya Bank
 - The loan has been secured by:
 - a. Mortgage of all immovable properties, present and future, of IBEUL.
 - b. Hypothecation of all movable properties and all intangible assets, present and future, of IBEUL, relating to the project.
 - c. Assignment/ charge on all receivables and demands of IBEUL, permits, approvals, clearances, and uncalled capital, letter of credit, guarantee, performance bond provided to IBEUL, letters of credit of IBEUL, trust and retention account and debt service reserve account of IBEUL, operating cash flows, book debts, and all receivables and revenues from the Project, all current assets of IBEUL, commissions, revenues, present and future, relating to the Project.
 - d. Pledge of equity interest of the Company in IBEUL, representing at least 51% of the equity capital of the Project.
 - e. Debt service reserve account with at least 2 quarters repayment instalments and interest.
-

The following restrictive provisions are also applicable in relation to the above loan availed of by IBEUL:

- Company, and its affiliates (i.e. entities controlled by the Company) participating in the equity capital required for the Project shall in the event that the cost of completing the Project exceeds the estimated cost of the Project, bring required funds, without recourse to the Project assets or IBEUL assets.
- Company shall bring in equity contribution of Rs. 6,910,000,000.00
- IBEUL shall not utilise the non-fund based facility without prior approval of the Lender's Agent.
- IBEUL shall be liable to pay penal interest of 1% per annum compounded quarterly over and above applicable interest rate for the facility for non-creation or non-perfection of the security interest in favour of the Lenders or Security Agent.
- IBEUL shall be liable to pay penal interest of 2% per annum compounded quarterly over and above applicable interest rate for the facility for default in the payment of interest, additional interest, and other monies (excluding liquidated damages) that become due and arrears of liquidated damages shall carry default interest rate of 2% over and above the applicable interest rate.
- IBEUL shall maintain total term loan to total net worth ratio of not more than 3:1, FACR of a minimum of 1.25, DSCR of not less than 1.20, and shall be liable to pay additional interest of 2% per annum compounded quarterly over and above applicable interest rate for adverse deviation from the above financial ratios.
- Lenders may individually reset the initial rate of interest or interest spread at reset dates specified in the agreement. Lenders other than PFC may reset the interest spread in the event that RBI revises the standard provision on assets and/or enhances the risk of the weight of assets or if any external credit rating agency downgrades the rating of this loan facility.
- IBEUL must not prepay any outstanding principal amounts to the Lenders without 30 days notice, and will be liable to pay a prepayment premium of 2% of the amount prepaid unless the prepayment is at the insistence of the Lenders.
- Lenders reserve the right to call for early repayment of the outstanding principal amounts under the loan, in full or in part, from the proceeds of any amount received by IBEUL (i) as liquidated damages for delays in project completion under project documents, to be utilised towards cost overrun such that

the debt to equity ratio is reduced to 75:25, (ii) for breach of warranty or guarantee under any project document, to the extent that it is not applied for the repair or replacement of defective components that are the subject of the warranty, (iii) as insurance proceeds, to the extent that they are not applied to repair, renovate, restore or reinstate the Project assets, (iv) as proceeds resulting from the expropriation or other taking by any Governmental Authority of the Project assets of IBEUL, or (v) as proceeds from an arbitral or judicial award in connection with the project documents.

- If IBEUL receives liquidated damages from performance shortfall under the Project documents, the proceeds shall be used towards correcting the shortfall and the surplus shall be used to prepay the loan.
- IBEUL shall reimburse all taxes, and expenses incurred by the Lenders under the loan and transaction documents on the final settlement date of the loan.
- IBEUL may prepay loan availed from PFC without payment of a prepayment premium if (i) the reset interest rate of PFC is not acceptable to IBEUL, and the prepayment is made, within 90 days of interest reset, or (ii) there is any negative financial impact on IBEUL pursuant to an introduction or increase in taxes, duties, levies, deductions, charges, withholdings, or (iii) any liabilities in respect of the loan facility are levied on PFC for which IBEUL are required indemnify PFC.
- Company shall not divest its shareholding in IBEUL without the prior consent of the Lenders, and shall continue to retain management control of IBEUL for the duration of the loan.
- Company shall undertake not to without prior consent of the Lenders, (i) declare any dividend until the equity capital of the Project is subscribed and paid up in full, or (ii) commit any fresh equity in any new project till the Project equity capital is subscribed and paid up in full.
- IBEUL shall not directly or indirectly take any additional debt exposures, or raise fresh equity or preference capital, or other resources beyond the agreed funding pattern for the Project and/or take up new projects and/or expand the Project without prior approval of the Lenders.
- Any change in equity sponsors shall be subject to prior approval of the Lenders.
- Any change in Project documents shall be subject to prior written approval of the Lenders.
- IBEUL shall inform the Lenders of any change in the constitution of its board of directors.
- Lenders may appoint two nominee directors on the board of directors of IBEUL, of which PFC shall be entitled to nominate one nominee director.
- Company shall mobilise at least Rs. 3,000,000,000.00 by way of dilution of shareholding of the principal shareholder of the Company prior to initial drawdown.
- IBEUL shall enter into a long term PPA for at least 88% of the total power generated by the Project prior to initial drawdown.
- Six months prior to the commercial operations date of the Project, IBEUL shall make arrangements for meeting working capital requirement of the Project and furnish details of such arrangements to the Lenders.
- IBEUL shall keep the Lenders informed of any circumstances that adversely affect the financial position of their subsidiaries or group companies, or companies in which it has large investments.
- IBEUL shall notify the Lenders Agent and the Lenders of any proposed change in the nature or scope of the Project, which might be materially adverse to the Project or lead to cost overruns.
- All superior conditions agreed to by IBEUL with other persons will apply to this loan facility.
- IBEUL shall maintain adequate all necessary insurance in relation to the Project.
- IBEUL shall notify the Lenders of any notice of an application of winding up having been made, or statutory notice of winding up under the provisions of the Companies Act, 1956, or any other proceeding affecting its title to the securities, or if a receiver is appointed in respect of the securities.
- IBEUL shall inform the Lenders of any event that is likely to have a substantial adverse effect on its profits or business, or any material changes in the operation and maintenance of the Project, or of any loss or damage incurred due to force majeure circumstances.
- IBEUL shall inform the Lenders' Agent of (i) nationalisation or any such proposal which will have a material adverse effect, (ii) any substantial dispute between IBEUL and its shareholders, and any Governmental Authority, relating to the Project, (iii) any change in the authorised officers or director of IBEUL, (iv) any actual or proposed termination, recession, discharge, amendment, or waiver of or under a PPA or a material provisions of a transaction document, (v) notice from a tax authority in respect of any material claim, proceeding, or hearing, or any tax assessment or liability, (vi) any notice of force majeure given or received by the IBEUL under any Project Document, (vii) each letter or report delivered to IBEUL, (viii) any event that will delay the final completion of the Project, (ix) any event that IBEUL believes, has claimed, or will claim to constitute an event of non-payment of non-disputed amount by the relevant offtaker under a PPA during any period of 30 days, (x) any change in law under a PPA, and (xi) the occurrence of a force majeure event affecting the borrower or a material Project participant.

- IBEUL shall not take any action of merger, consolidation, reorganisation, amalgamation, or for the sale, lease, transfer, or disposal of any assets including Project assets without prior consent of the Lenders.
- IBEUL shall not acquire all or part of the assets of any other person or any class of shares or debentures or partnership interest, or other similar interest without prior consent of the Lenders.
- IBEUL shall not issue any debentures, or raise any loans or deposits from the public, issue equity or preference capital, change its capital structure or create any charge on its assets, or raise money in any other form not specifically permitted by the Lenders.
- IBEUL shall not make restricted payments except as permitted under the Trust and Retention Account Agreement.
- IBEUL shall not incur any further indebtedness other than indebtedness stated in the financing plan for the Project, or under other the Project documents, the Common Loan Agreement Share Subscription and Retention Agreement and Undertaking agreement, along with Lenders' Agent Agreement, Inter-Creditor Agreement, and such other documents (collectively "**Financing Documents**") or security documents (collectively "**Transaction Documents**"), working capital facility approved by the Lenders, or indebtedness incurred in connection with banks and financial institutions furnishing project guarantees and opening letter of credit in favour of customs, fuel suppliers, equipment suppliers for an amount agreed to by the Lenders.
- IBEUL shall not pay any interest or carry out repayment of any subordinated debt except as permitted by the Lenders until it is permitted to declare dividend.
- IBEUL shall not without the prior permission of the Lenders, create any security interest other than security interest in favour of the Lenders and the Security Trustee pursuant to the loan, unpaid vendor's lien arising under the documents pertaining to the Project, security interest in favour of banks providing working capital facilities , project guarantees and opening letter of credit facilities up to a maximum limit of Rs. 1,820,000,000.00 (of which letter of credit facilities shall not exceed 3.5% of the cost of the Project subject to a maximum of Rs. 1,820,000,000.00).
- IBEUL shall not engage in any business other than the Project, or create any subsidiaries, change its name or the location of its offices except with the prior permission of the Lenders.
- IBEUL shall not cancel, terminate, sell, assign, amend, or waive any of its rights, any Transaction Documents without the prior consent of the Lenders.
- IBEUL shall not enter into any agreements which entail sharing of income or profits, or management contracts or other similar arrangements where its business or operations are managed by other persons.
- IBEUL shall not prepay any debt without prior consent of the Lenders.
- IBEUL shall not revalue its assets without the prior written consent of the Lenders.
- IBEUL shall not remove any persons exercising substantial degree of management of the affairs of IBEUL.
- IBEUL shall not declare any dividend during the currency of the loan, except with the prior approval of the Lenders' Agent, if there is no event of default subsisting under the financial documents, repayment under the Financing Documents has commenced, all reserves are maintained adequately, and requisite financial ratios are fully met.
- IBEUL shall not pay any commission to Company, directors, managers, or other persons for furnishing guarantees, counter-guarantees, indemnities, or undertaking any other liability in connection with any financial assistance obtained by IBEUL for the Project,
- IBEUL shall not pay any person exercising substantial powers of management any commission in any year unless all of IBEUL's obligations to pay repay or reimburse repayment instalments, interest, additional interest, liquidated damages, prepayment premium, and all other monies (collectively "**Secured Obligations**") payable to the Lenders have been made, to the satisfaction of the Lenders.
- IBEUL shall not alter its memorandum or articles without the prior permission of the Lenders' Agent.
- IBEUL shall not agree, authorise, or otherwise consent to any proposed settlement, resolution, or compromise, of any litigation, arbitration, or other dispute with any Person without prior authorisation of the Lenders, Lenders' Agent, and Security Trustee ("**Secured Parties**"), if such settlement, resolution, or compromise could reasonably be expected to constitute a material adverse effect.
- IBEUL shall not raise equity or preference capital except to the extent permitted under the Financing Documents.
- IBEUL shall not terminate any Transaction Document or replace or consent to the replacement of any of (i) IBEUL, (ii) Company, (iii) Government of Orissa, (iv) Letter of Credit Bank, (v) other persons providing guarantees as substitutes in respect of the performance of the contractors of the EPC and non-EPC contracts, except in consultation with the Lenders' Agent.
- Other than the assignment to create Security Interest under Transaction Documents as security for the benefit of the Secured Parties, IBEUL shall not (i) enter into or permit the assignment of any rights, or

obligations of IBEUL to any Transaction Document or (ii) consent to or permit the assignment of any rights or obligations of any party, without the prior consent of the Lenders' Agent.

- IBEUL shall not pay any interest or repay any loans taken from the Company until repayment of the loan to the Lenders.
- IBEUL selling or disposing off any land, building, structures of plant or machinery without the prior consent of the Lenders, except in the ordinary course of business is an event of default under the loan.
- Any default in payment of principal or interest under the loan documents, or default in payment under PPAs, fuel supply agreements, or other project documents, which constitutes a default of those agreements, default in observance of covenants or warranties under any transaction documents or loan agreements is an event of default of the loan agreement.
- Expropriation of the borrower or nationalisation of the Project or a substantial portion of the Project is an event of default under the loan agreement.
- If one or more judgments or decrees are entered against IBEUL and not vacated, discharged or stayed pending appeal for any period of 60 consecutive days or if any litigation, arbitration or administrative proceedings or claims before any court, tribunal, or arbitrator or other relevant authority, which by itself, or together with any other such proceeding or claim could be expected to have a material adverse effect is not discharged, withdrawn or discontinued within 30 days is an event of default under the loan agreement.
- Upon cancellation of commitment by any Lender, failure of IBEUL to arrange alternate commitment within 60 days from the knowledge of the cancellation by IBEUL, or, upon any Lender not making disbursement pursuant to two consecutive notice of drawdowns for any reason other than a drawstop notice by Lenders' Agent, failure of IBEUL to arrange alternate commitment within 30 days of such drawstop notice is an event of default under the loan agreement.
- IBEUL failure to fund cost overruns within 45 days of knowledge of cost overruns is an event of default under the loan agreement.
- IBEUL taking any action for its re-organisation including change in ownership structure without the prior written approval of the Lenders is an event of default under the loan agreement.
- Upon an event of default, the Lenders may terminate all facilities, declare unpaid principal and interest amounts under the agreements payable, exercise all rights specified under the security documents due and payable immediately, take possession of the securities, and take recourse to all remedies available under applicable laws.
- Upon an event of default, the Lenders shall have the right to appoint nominee directors, one for each lender, on the board of directors of IBEUL, and shall have a right to review the management set-up or organisation of IBEUL and require IBEUL to restructure its organisation.
- Lenders shall have the right to sell power generated from the Project to third parties upon an event of default.
- Lenders will be entitled to call upon the Company and other shareholders of IBEUL who have agreed to contribute to the Project equity capital to pay the unsubscribed portion of the Project equity capital.
- Lenders will be entitled to convert their portion of the outstanding facility into equity of IBEUL, either in whole or in part upon failure to make payment of two consecutive instalments of principal or interest.
- IBEUL shall reimburse all expenses incurred by Lenders in connection with preservation of IBEUL's assets including Project assets upon an event of default.
- Lenders may suspend the loan and upon non-remedy, terminate the loan upon continuance of the following events:
 - (i) An event of default or failure to comply with terms and conditions of the loan agreement
 - (ii) IBEUL permitting any action to be taken in relation to assignment or transfer of Project assets to a receiver, assignee, liquidator or other person appointed by IBEUL or other court
 - (iii) Change in the IBEUL's setup which in the opinion of the Lenders would adversely affect the conduct of IBEUL's business.
- IBEUL shall indemnify Lender or Lender's Agent in relation to any sum received or receivable by Lender or Lenders' Agent under the loan agreement.
- IBEUL shall not assign, transfer, or novate any interest in or any rights/obligations under any financing documents and security documents to which it is a party without the prior written consent of all the Lenders.

Ind-Barath Power (Madras) Limited

We have entered into an underwriting arrangement with Axis Bank by letter dated March 24, 2010, for an amount of Rs. 26,960.00 million (sub-limit of 4,000.00 as letter of credit/ letter of undertaking facility).

As per the letter the conditions precedent to signing of financing agreements includes:

- Appointment of lender's engineer, lender's insurance consultant, lender's legal counsel, security trustee, lenders agent and owner's engineer for the project.
- Receipt of confirmation from the company that none of the directors names' appear on the RBI defaulter's list.

As per the letter the conditions precedent to disbursement by the lenders includes:

- Security should be created prior to first disbursement.
- The named sponsor under the agreement i.e. the Company, should have infused at least 30% of the envisaged equity contribution in the form of equity for the project.
- The company should have entered into a long term PPA for 462 MW for a period of 25 years on terms acceptable to the lenders.
- The company should have obtained letter of assurances for long term coal linkages for 660MW as per the coal allotment policy of Coal India Limited.
- All statutory and non-statutory clearances required by the lenders should be in full force and effect.
- The company should have completed all requisites for acquisition of land sites, including execution of a lease agreement for the land required by the Project, pre-arranged for a title search by an independent counsel, to the satisfaction of the lenders.
- The company shall have furnished a legal opinion from the legal counsel of the lender's consortium in respect of the enforceability of the financing agreements and the various project contracts.
- Make modifications in the memorandum and articles of association of the company including necessary amendments to provide for the appointment of a nominee director by the lenders to the project.

Some of the terms of the arrangement are as follows:

- This loan has been availed of for the purpose of project funding for setting up of a coal based 1x660 MW thermal power plant at Manapadi, Tuticorin District, Tamil Nadu ("Project").
- The loan is repayable in 40 equal quarterly instalments of Rs.674,500,000.00 commencing from September 30, 2014 and ending on June 30, 2024.
- The loan has been secured by:
 - a. A first charge on all the moveable and immoveable assets of IBPML, present and future
 - b. A first charge/ assignment of all revenues and receivables of IBPML
 - c. A first charge on the Letter of Credit/ escrow account, trust and retention account, DSRA and other reserves and any other bank accounts of the borrower wherever maintained, present and future
 - d. A first charge on all intangibles assets of IBPML including but not limited to goodwill, uncalled capital present and future
 - e. Assignment/ agreement to assign by way of charge in favour of the lenders, all the rights, titles and interest of IBPML from all contracts, insurances, licenses in to and under all assets of the project and all project documents which IBPML is party to including contract guarantees, liquidated damages and all other contracts relating to the projects.
 - f. The pledge of shares representing 51% of the total equity share capital of IBPML.
- For the purpose of the Letter of Credit, all capital goods imported under the LC shall be offered as security.
- Interest rates for the term loan are 11.25% to 11.75% % p.a. payable monthly linked to the benchmark prime lending rate. The underwriting shall take place at the higher end of the interest band. In the event of devolvement of LC the same shall carry interest at 2% above the benchmark prime lending rate for period of default/delay. The commission for letter of credit is 0.75% p.a. payable quarterly upfront and additional 30% of 0.75% p.a. on receipt of the LC from participating bank. The commission for letter of undertaking is 1.25% p.a. payable upfront.

The following provisions are the restrictive provisions in relation to the above loan availed of by IBPML from Axis Bank:

- IBPML shall be required to create a DSRA to meet the debt service requirement for the ensuing 2 quarters principal and interest payment due from the COD.
- IBPML shall maintain a TTL/ TNW ratio of not more than 75:25 during the entire tenure of the loan.
- IBPML shall maintain a minimum fixed asset cover of 1.20 from the end of the first full year of operation during the entire currency of the debt.
- IBPML shall maintain a minimum debt service coverage ratio of 1.20 during the tenor of the loan.
- IBPML shall not declare or pay dividend until repayment of the facility has commenced, and thereafter IBPML shall declare and pay dividend only if there is no outstanding event of default or potential event of default, all of the reserves including the debt service reserve account are funded adequately, and financial covenants as stipulated are maintained.
- IBPML shall not make material modifications of any project document without prior consent of the lender.
- IBPML shall not issue any debentures, raise any loans other than working capital loans in the ordinary course of business, or accept any deposits from the public, or change its financing plan, capital structure, or make investment in, grant loans, or give guarantee on behalf of any person without prior consent of the lender.
- IBPML shall ensure that the Company's fund is brought in by way of subscription of fully paid up equity shares.
- IBPML shall obtain prior approval of the lender for any change in shareholding pattern or the equity share capital.
- IBPML shall obtain prior approval of the lender for issue of shares for consideration other than cash, except for bonus shares.
- Lender may accelerate repayment of the loan in inverse order of maturity if the cash flows of IBPML warrant such acceleration.
- Lender shall be entitled to appoint/ retain one director on the board of IBPML.
- Lender shall be entitled to convert the entire loan or part of the loan into equity of IBPML in case of default by IBPML.
- Amendments to the memorandum and articles of association of IBPML shall be made to effect the terms of the loan, and other amendments made subsequently shall require prior consent of the lender or the lender's agent.
- IBPML shall inform the lender of any substantial changes in the Project, and shall obtain prior approval to effect changes to the Project or to carry out expansion or diversification of the Project.
- IBPML shall obtain prior consent of the lender for any changes in the composition of its board.
- If IBPML contravenes or fails to comply with the terms of the facility, or committing a breach of any law, or furnishes material false or misleading information, or upon the occurrence of an event that jeopardises the recovery of the loan amount from IBPML, the lender, lender's agent, and security trustee will have the right to recall the loan along with interest, cost and charges.
- IBPML will not without prior permission of the bank, create any further charge over its fixed assets.
- IBPML will not without prior permission of the bank, formulate any scheme of amalgamation or reconstruction with any other entity
- IBPML will not without prior permission of the bank, make changes in its management set-up.
- IBPML will not without prior permission of the bank, repay any loans or deposits, and discharge liabilities other than as stated in a statement submitted to the bank from time to time.

SECTION VI MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION 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 impact our financial condition and results of operations.

The following discussion is based on our restated consolidated financial statements, as of and for the nine months ended December 31, 2009 and as of and for the fiscal years March 31, 2009, 2008, 2007, 2006, and 2005. Our audited and restated unconsolidated and consolidated financial statements are prepared in accordance with Indian GAAP, the accounting standards prescribed by the ICAI and the relevant provisions of the Companies Act. Our 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 an established power generation company with eight operational power projects, which have a combined power generation capacity of 290.6 MW. We currently have five power projects under implementation, which will increase our combined power generation capacity by 1,728.0 MW. We are also planning to develop three thermal power projects at Jharsuguda, Orissa and Thoothukudi and Ramnathpuram, Tamil Nadu, with a combined power generation capacity of 1,337.5 MW. For the fiscal year 2009 and the nine months ended December 31, 2009, our consolidated total income was Rs. 2,506.24 million and Rs. 2,901.28 million, and consolidated net profit, as restated, was Rs. 253.68 million and Rs. 441.46 million, respectively.

We presently operate eight power projects in the states of Tamil Nadu, Andhra Pradesh, Maharashtra, Himachal Pradesh and Kerala.

Our Operational Power Projects

- *Coal-based power project* – Our 73.9% owned Subsidiary, Ind-Barath Power Gencom Limited ("IBPGL"), commissioned a 126.0 MW power project at Thoothukudi, Tamil Nadu, in February 2010.
- *Natural gas-based power project* – Our 81.0% owned Subsidiary, Arkay Energy Rameswarm Limited ("AERL"), commissioned a 95.3 MW power project at Ramnathpuram, Tamil Nadu in two phases in February 2006 and July 2006.
- *Biomass/coal-based power projects*
 - Our 79.2% owned Subsidiary, Ind-Barath Energies Maharashtra Limited ("IBEML"), commissioned a 20.0 MW power project at Nanded, Maharashtra in January 2009.
 - Our 72.3% owned Subsidiary, Ind-Barath Energies Thoothukudi Limited ("IBETL"), commissioned a 20.0 MW power project at Thoothukudi, Tamil Nadu in June 2006.
 - Our 99.7% owned Subsidiary, Raghu Rama Renewable Energy Limited ("RRREL"), commissioned an 18.0 MW power project at Ramnad, Tamil Nadu in October 2004.
 - Our 97.4% owned Subsidiary, Ind-Barath Energies Limited ("IBEL"), commissioned a 6.0 MW power project at Nalgonda, Andhra Pradesh in October 2000.
- *Hydroelectric power project* – Our 94.4% owned Subsidiary, Dharmshala Hydro Power Limited ("DHPL"), commissioned a 4.5 MW power project at Kangra, Himachal Pradesh in June 2004.
- *Wind-based power project* – Our Company commissioned a 0.75 MW power project at Idukki, Kerala in April 2008.

Our Power Projects Under Implementation

- *Coal-based power projects*
 - Our 73.9% owned Subsidiary, IBPGL is implementing an additional 63.0 MW unit at Thoothukudi, Tamil Nadu, which is expected to be commissioned by July 2010.
 - Our 79.4% owned Subsidiary, Ind-Barath Energy (Utkal) Limited (“IBEUL”), is implementing a 700.0 MW power project at Jharsuguda, Orissa. We expect that the first 350.0 MW unit of this power project will be commissioned by January 2012, and that the power project will be fully commissioned by March 2012.
 - Our 99.96% owned Subsidiary, Ind-Barath Thermal Power Limited (“IBTPL”), is implementing a 300.0 MW power project at Thoothukudi, Tamil Nadu. We expect that the first 150.0 MW unit of this power project will be commissioned by March 2012, and that the power project will be fully commissioned by June 2012.
 - Our 83.7% owned Subsidiary, Ind-Barath Power (Madras) Limited (“IBPML”), is implementing a 660.0 MW power project at Thoothukudi, Tamil Nadu. We expect the project to be commissioned by December 2013.
- *Hydroelectric power project*
 - DHPL is also in the process of implementing an additional 5.0 MW power project at Kangra, Himachal Pradesh, which is expected to be commissioned by June 2010.

Our Subsidiary, PT Indbharath Energy has the right to operate four mining entities located in Indonesia, which have the rights to, or are in the process of acquiring the rights to, coal resources of approximately 32.50 million metric tonnes. Resources are quantities of coal which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations. These mines are located in the Batulicin area of the South Kalimantan province.

In addition, power projects owned and operated by DHPL, IBEL, RRREL, IBEML and IBETL are registered under the United Nations Framework Convention on Climate Change (“UNFCCC”) and hence are eligible for generating and selling CERs under the Kyoto Protocol’s Clean Development Mechanism (“CDM”) project.

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 five power projects under implementation are in various stages of development, with two projects expected to be fully commissioned in the fiscal year 2011, an additional two power projects expected to be fully commissioned in the fiscal year 2013 and the fifth power project expected to be fully commissioned in the fiscal year 2014. We expect to derive our revenues primarily from the sale of electricity to state-owned and industrial consumers subsequent to the commissioning of our power projects. The commissioning dates for our power projects are estimates and are subject to delay 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, which could be partially offset by recoveries from EPC contractors.
- ***Macroeconomic conditions.*** As a company operating in India, we are affected by the general economic conditions in the country and in particular the factors affecting the power industry and the power projects we develop. Conditions outside India, such as slow downs in the economic growth of other countries or increases in the price of oil, have an impact on the growth of the Indian economy, and government policy may change in response to such conditions. We believe that economic growth in India will propel

demand for the power industry in the future. We also believe that demand in this industry will continue to outpace domestic supply for the foreseeable future, causing Indian policy makers and domestic producers to focus their efforts on growth in this industry. See “Industry Overview” on page 124, for a more detailed description of the power industry. However, weak economic conditions, such as a reduction in consumer spending, could adversely impact our business and results of operations.

- **Availability of cost effective funding.** We have relied on capital contributions from our shareholders as well as the incurrence of indebtedness to fund our business. As of March 31, 2010, we have total indebtedness in principal amount of Rs. 9,903.36 million under our financing arrangements. For further details see “Our Business” and “Financial Indebtedness” on pages 139 and 356, respectively. The implementation of our power projects will require substantial capital expenditures, which we expect to partly fund through the Net Proceeds of the Issue, along with additional debt and equity financing. We currently estimate that in order to complete our five power projects under implementation, we will be required to incur capital expenditures of approximately Rs. 83,466.12 million. In addition, we will incur additional capital expenditure if we develop our planned power projects at Thoothukudi, Tamil Nadu and Jharsuguda, Orissa. Our debt service cost 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.
- **Market conditions relating to the sale of power on merchant basis.** For the fiscal year 2009 and the nine months ended December 31, 2009, we sold a substantial proportion of our total power generated on a merchant basis. As a result, we sell a relatively small quantum of power under long-term power purchase agreements and we are more exposed to volatility in demand and price as a result. Consequently, market conditions in the merchant power market may have a significant effect on our business and results of operations.
- **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. Our operational power projects use a variety of fuels such as natural gas, coal and biomass. We also operate a hydroelectric power project and a wind-based power project. We currently source coal from foreign suppliers and have entered into contracts with our Indonesian mining subsidiary, PT Indbharath Energy, in respect of two of our thermal power projects under implementation. Such contracts and any other agreements entered into with foreign coal suppliers are subject to further uncertainties including potential changes in laws or government regulations of the countries from where our coal is sourced. In addition, PT Indbharath Energy’s indirectly owned mining entities have not completed all licensing requirements and are unable to commence mining until these requirements are met. We have also applied for domestic coal linkages in respect of our thermal power projects under implementation. The approval and receipt of such linkages is subject to numerous regulations, and we may be unable to obtain adequate domestic coal linkages to meet our fuel requirements. The cost of coal that we source, either domestically or internationally, may be affected by increased shipping costs and may adversely affect our business and results of operations. See “Business – Our Projects” 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. All of our operational power projects and our five power projects under implementation, with the exception of the power project under implementation by IBPML, are situated on land owned by our Company or our subsidiaries. Our financial condition depends, in part, on obtaining affordable land in close proximity to fuel sources or concentrations of customers and proper power evacuation facilities, where we can construct and operate our power projects. 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. We source water from a variety of sources. The amount of water that our power projects are entitled to consume will be subject to the availability of water. 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.** Our existing engineering, procurement and construction contracts for our power projects under implementation are generally fixed price contracts with some scope for escalation. We believe that any significant increase in 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 plants to our consumers poses challenges due to transmission constraints. Generally, evacuating power to a purchaser is our responsibility. If transmission lines are not constructed by the time our power projects under implementation are ready to commence operation, or we incur significant transmission costs, our financial position and results of operations could be adversely affected.
- **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.

Our Significant Accounting Policies

Our financial statements are prepared under the historical cost convention on accrual and on a going 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. The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Key accounting policies that are relevant and specific to our business and operations are described below:

- The financial statements of our Company and the Subsidiaries are combined on a line-by-line basis by adding together the book values of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions are eliminated, except to the extent that the recoverable value of related assets is lower than their cost to the group.
- Minority interest consists of: (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary was made; and (b) the minorities’ share of movements in equity since the date that our relationship with such subsidiary came into existence.
- **Investment.** Long term investments are carried at cost, less any other than temporary diminution in value, which is determined separately for each individual investment. Current investments are carried at the lower of cost or fair value.
- **Fixed Assets.** Fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation. Borrowing costs directly attributable to qualifying assets/capital projects, which necessarily take a substantial period of time to be ready for their intended use, are capitalised. Fixed assets include amounts paid for erecting transmission lines and related equipment.
- **Inventories.** Inventories comprise of raw materials, stores and spares and are valued at cost. Cost of inventories includes costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Stores and spares are recognised as an expense as and when consumed.

- **Intangible Assets.** Intangible assets consist of mining rights for coal. These mining rights are capitalised in the books once the right to use the mines is transferred to our Company. These mining rights are amortised over the expected period of benefit derived from such mines.
- **Impairment of assets.** Assets are treated as impaired when the carrying cost of the assets exceeds their recoverable value. If the recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to the recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to depreciation.
- **Depreciation.** Depreciation on fixed assets, except for the 'Transmission System' is provided on the straight line method at rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Depreciation on assets acquired or disposed off during the year is provided on pro-rata basis with reference to the date of addition or disposal. Assets costing less than Rs. 5,000.00 are written off in the year of purchase. The 'Transmission System' is amortised over a period of five years.
- **Employee benefits.** Contributions payable to the recognised provident fund, a defined contribution scheme, are made on a monthly basis, at pre-determined rates, to the appropriate authorities and are charged to the profit and loss account. Provisions for gratuity and leave encashment cost, which are defined benefit schemes, are charged to the profit and loss account based on actuarial valuations, carried out by independent actuaries, at the balance sheet date.
- **Foreign currency transactions, balances and translation of financial statements of foreign subsidiaries.** Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions or at an average monthly rate that approximates the actual rate at the date of transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the profit and loss account. Monetary current assets and current liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resultant exchange differences are recognised in the profit and loss account.

In accordance with AS-11 (Revised 2003) "The Effect of Changes in Foreign Exchange Rates", the financial statements of the non-integral foreign operations are translated into Indian rupees as follows:

- All assets and liabilities, both monetary and non-monetary, are translated using the closing rate.
- Revenue items are translated at the respective monthly average rates.
- The resulting net exchange difference is credited or debited to a foreign currency translation reserve. However, an exchange difference arising out of intra-group monetary item, whether short term or long term is recognised in the profit and loss account.
- Contingent liabilities are translated at the closing rate.
- **Revenue recognition.** Revenue from the sale of electricity is recognised on the basis of billing to consumers/ electricity boards, in accordance with the terms and conditions of agreements entered into with each customer/ electricity board for the supply of power generated (measured in kWh) at an agreed rate per unit of electricity sold. "Unbilled revenue", represents revenue from the supply of electricity, recognised in excess of amounts billed, based on the terms and conditions mentioned in the agreement. It represents electricity supplied for the period between the last meter reading date in a financial period and the last day of the financial period. Income from the sale of CERs is recognised upon execution of a firm contract for sale of eligible emission credits. Dividend income is recognised when the unconditional right to receive the income is established. Income from interest on deposits and interest bearing securities is recognised on the time proportionate method based on the underlying contracted interest rates.
- **Deferred Tax.** Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period.
- **Minimum Alternate Tax (MAT) Credit entitlement.** MAT credit entitlement represents amounts paid in a year under Section 115 JA/JB of the Income Tax Act, 1961 ('IT Act'), in excess of the tax payable, computed on the basis of normal provisions of the IT Act. Such excess amount can be carried forward for

set off against future tax payments for five succeeding years, in accordance with the relevant provisions of the IT Act.

- **Borrowing costs.** Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset. A qualifying asset is one that necessarily takes a substantial period of time, i.e. more than 12 months, to be ready for use. All other borrowing costs are charged to revenue.
- **Provisions and contingent liabilities.** A provision is created when there is a present obligation that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

Results of Operations

The following table sets forth, for the periods indicated, certain items from our restated consolidated financial statements, in each case also stated as a percentage of our total income.

Particulars	Nine months ended December 31, 2009		Fiscal year ended March 31, 2009		Fiscal Year Ended March 31, 2008		Fiscal year ended March 31, 2007		Fiscal year ended March 31, 2006	
	Amount (Rs. in millions)	% of our total income	Amount (Rs. in millions)	% of our total income	Amount (Rs. in millions)	% of our total income	Amount (Rs. in millions)	% of our total income	Amount (Rs. in millions)	% of our total income
Income:										
Sale of electricity	2,713.29	93.5	2,439.17	97.3	1,986.99	88.7	1,518.17	98.2	100.04	97.5
Income from sale of certified emission reduction	37.34	1.3	11.43	0.5	191.11	8.5	-	-	-	-
Other income	150.65	5.2	55.64	2.2	61.68	2.8	27.89	1.8	2.58	2.50
Total income	2,901.28	100.0	2,506.24	100.0	2,239.78	100.0	1,546.06	100.0	102.62	100.0
Expenditure:										
Cost of electricity generated	995.64	34.3	864.37	34.5	773.79	34.5	604.34	39.1	36.62	35.7
Personnel costs	92.13	3.2	96.64	3.9	76.39	3.4	23.57	1.5	1.45	1.4
Administrative expenses	373.71	12.9	192.53	7.7	133.92	6.0	76.51	4.9	3.44	3.3
Selling and distribution expenses	20.52	0.7	82.08	3.3	40.33	1.8	35.76	2.3	2.28	2.2
Finance charges	304.59	10.5	351.74	14.0	330.10	14.7	251.17	16.2	18.08	17.6
Depreciation	233.40	8.0	271.82	10.8	257.88	11.5	180.13	11.7	12.96	12.6
Total expenditure	2,019.99	69.6	1,859.18	74.2	1,612.41	72.0	1,171.48	75.8	74.83	72.9
Profit before tax before exceptional items	881.29	30.4	647.06	25.8	627.37	28.0	374.58	24.2	27.79	27.1
Exceptional items	332.28	11.5	28.89	1.2	18.58	0.8	11.73	0.8	-	-
Profit before tax	549.01	18.9	618.17	24.7	608.79	27.2	362.85	23.5	27.79	27.1
Taxes:										
Current tax	114.42	3.9	124.41	5.0	54.10	2.4	28.68	1.9	0.60	0.6
Deferred tax	(68.39)	2.4	45.36	1.8	(22.58)	1.0	107.23	6.9	-	-
Fringe benefit tax	-	-	1.25	0.0	1.12	0.0	1.18	0.1	0.66	0.7
MAT credit	(103.57)	3.6	(87.03)	3.5	2.76	0.1	(30.09)	1.9	-	-

Particulars	Nine months ended December 31, 2009		Fiscal year ended March 31, 2009		Fiscal Year Ended March 31, 2008		Fiscal year ended March 31, 2007		Fiscal year ended March 31, 2006	
	Amount (Rs. in millions)	% of our total income	Amount (Rs. in millions)	% of our total income	Amount (Rs. in millions)	% of our total income	Amount (Rs. in millions)	% of our total income	Amount (Rs. in millions)	% of our total income
(entitlement)/ utilisation										
Profit after tax but before minority interest	606.55	20.9	534.18	21.3	573.39	25.6	255.85	16.5	26.53	25.8
Minority interest	(165.09)	5.7	(280.50)	11.2	(80.19)	3.6	73.85	4.8	0.10	0.1
Equity in profit/ (losses) of associate	-	-	-	-	-	-	6.23	0.4	11.32	11.0
Net profit after tax, as restated	441.46	15.2	253.68	10.1	493.20	22.0	188.23	12.2	37.75	36.8

Description of Income and Expenditure Items

Total income. Our total income comprises revenue from the sale of electricity and CERs, and other income.

Sale of electricity. Sale of electricity primarily includes revenue received from the sale of power to third parties on merchant basis or under long-term power purchase agreements entered into with state electricity boards. Once our larger power projects that are under various stages of implementation or planning become operational, we expect to derive income primarily from the sale of power to distribution companies, state electricity boards, power trading companies and through power exchanges in India. We believe that sales through short-term power off-take arrangements and/or power exchanges will allow us to capture better market rates and respond to the fluctuations in power demands, including responding to price increases and power shortages. Short-term PPAs may, however, create additional variability in our revenues and could expose our business to risks of market fluctuations in the demand for and price of power.

Income from sale of CERs. Income from sale of CERs includes revenue received from the sale of CERs to third parties. We accrue CER income based on units of electricity sold from registered CDM projects.

Other income. Other income primarily comprises operations and maintenance fees, interest income, dividend receipts, insurance claims, miscellaneous income, profit on sale of assets and gains on foreign exchange fluctuations.

Total expenditure. Our total expenditure primarily consists of fuel purchases, employee costs, administrative expenses, selling and distribution expenses, interest and financial charges and depreciation.

The following table sets out the principal components of our expenditure and as a percentage of our total expenditure, for the periods indicated.

Particulars	Nine months ended December 31, 2009		Fiscal year ended March 31, 2009		Fiscal Year Ended March 31, 2008		Fiscal year ended March 31, 2007		Fiscal year ended March 31, 2006	
	Amount (Rs. in million s)	% of our total expenditu re	Amount (Rs. in million s)	% of our total expenditu re	Amount (Rs. in million s)	% of our total expenditu re	Amount (Rs. in million s)	% of our total expenditu re	Amount (Rs. in million s)	% of our total expenditu re
Expenditure :										
Cost of electricity generated	995.64	49.3	864.37	46.5	773.79	48.0	604.34	51.6	36.62	48.9
Personnel costs	92.13	4.6	96.64	5.2	76.39	4.7	23.57	2.0	1.45	1.9
Administrati ve expenses	373.71	18.5	192.53	10.4	133.92	8.3	76.51	6.5	3.44	4.6
Selling and distribution	20.52	1.0	82.08	4.4	40.33	2.5	35.76	3.1	2.28	3.0

Particulars	Nine months ended December 31, 2009		Fiscal year ended March 31, 2009		Fiscal Year Ended March 31, 2008		Fiscal year ended March 31, 2007		Fiscal year ended March 31, 2006	
	Amount (Rs. in million s)	% of our total expenditure	Amount (Rs. in million s)	% of our total expenditure	Amount (Rs. in million s)	% of our total expenditure	Amount (Rs. in million s)	% of our total expenditure	Amount (Rs. in million s)	% of our total expenditure
expenses										
Finance charges	304.59	15.1	351.74	18.9	330.10	20.5	251.17	21.4	18.08	24.2
Depreciation	233.40	11.6	271.82	14.6	257.88	16.0	180.13	15.4	12.96	17.3
Total expenditure	2,019.99	100.0	1,859.18	100.0	1,612.41	100.0	1,171.48	100.0	74.83	100.0

Cost of electricity generated. Cost of electricity generated principally comprises the cost of fuel consumed, repairs and maintenance cost and spares and consumables.

Personnel costs. Personnel expenses include salaries, wages and bonuses; contributions to employees' provident fund and other funds; gratuity; and staff welfare expenses.

Administrative expenses. Administrative expenses primarily comprises advertising expenses, professional charges, consultancy charges, foreign exchange losses, directors' sitting fees, discounts given to customers as incentive for making prompt payments, entertainment expenses incurred, rent payments, audit expenses, travelling and conveyance expenses, licence and filing fees and miscellaneous expenses.

Selling and distribution expenses. Our selling and distribution expenses comprise expenses incurred on account of electricity duty and wheeling charges.

Finance charges. Our finance charges comprise interest payments in relation to our indebtedness and associated fees including upfront fees, bank guarantee fees, letter of credit commissions, bank charges and processing charges related to such borrowings. Our finance charges as well as our outstanding indebtedness may increase in the future as our business and operations grow.

Depreciation. Depreciation, with the exception of the 'Transmission System', is provided using the straight line method at the rates prescribed under Schedule XIV of the Companies Act. The transmission system is amortised over a period of five years. Individual assets costing Rs. 5,000 or less are fully depreciated in the period of purchase.

Nine Months Ended December 31, 2009

Our results of operations for the nine months ended December 31, 2009 were particularly affected by the following factors:

- increase in power produced and sold during the period;
- increase in average tariffs received for power sold over the period;
- increase in administrative expenses during the period; and
- increase in cost of raw materials for generation of electricity.

Total income. Our total income for the nine months ended December 31, 2009 was Rs. 2,901.28 million. Our total income consisted of revenue from the sale of electricity, income from the sale of CERs and other income.

Sale of electricity. Our revenue from the sale of electricity for the nine months ended December 31, 2009 was Rs. 2,713.29 million. Our revenue from the sale of electricity was attributable to income derived from power sold during the period. The income from sale of electricity was attributable to increase PLFs across some of our operational power projects.

Income from sale of CERs. Our income from the sale of CERs for the nine months ended December 31, 2009 was Rs. 37.34 million. This income was attributable to revenue generated from sale of CERs generated by the power project owned and operated by IBEL.

Other income. Our other income for the nine months ended December 31, 2009 was Rs. 150.65 million. Our other income primarily consisted of net foreign exchange gains of Rs. 111.46 million, interest income received from short term fixed deposits of Rs. 27.33 million, miscellaneous income of Rs. 8.35 million and insurance claims of Rs. 3.34 million.

Total expenditure. Our total expenditure for the nine months ended December 31, 2009 was Rs. 2,019.99 million. Our total expenditure primarily consisted of cost of electricity generated, administrative expenses, finance charges and depreciation.

Cost of electricity generated. Our cost of electricity generated for the nine months ended December 31, 2009 was Rs. 995.64 million. Our cost of electricity generated primarily consisted of fuel costs of Rs. 780.97 million, operation and maintenance expenses of Rs. 72.14 million and expenses on stores, spares and consumables of Rs. 63.05 million.

Personnel costs. We incurred personnel costs of Rs. 92.13 million for the nine months ended December 31, 2009, constituting approximately 3.2% of our total income.

Administrative expenses. Our administrative expenses for the nine months ended December 31, 2009 was Rs. 373.71 million. Our administrative expenses primarily consisted of provision for doubtful advances of Rs. 93.36 million made to PT Indbharath Energy for the acquisition of mining rights, professional charges and consultancy charges of Rs. 58.84 million paid to consultants and advisors for services rendered in relation to private equity investment in our Company and discounts offered to our customers for making prompt payments of Rs. 47.06 million.

Selling and distribution expenses. Our selling and distribution expenses for the nine months ended December 31, 2009 was Rs. 20.52 million. Our selling and distribution expenses primarily consisted of electricity duty and wheeling charges paid by IBEL and AERL, with respect to third party sales and sales to captive consumers, respectively.

Finance charges. The finance charges incurred for the nine months ended December 31, 2009 was Rs. 304.59 million, constituting approximately 10.5% of our total income. Our finance charges were primarily on account of interest on term loans, debentures and cash credit facilities.

Depreciation. Depreciation for the nine months ended December 31, 2009 was Rs. 233.40 million, constituting approximately 8.0% of our total income.

Exceptional Items. Exceptional items relate to provisions and payouts to captive consumers of AERL (subsidiary of our Company) arising out of compensation and penalty claims for non fulfilling the terms of the contracts for supply of power with such captive consumers. During the nine month period ended December 31, 2009 a total amount of Rs.332.28 million. For further details please refer to the section “Outstanding Litigation and Material Developments” beginning on page 413.

Profit after tax but before minority interest. Our profit after tax but before minority interest for the nine months ended December 31, 2009 was Rs. 606.55 million. This amount includes a deduction for current tax, offset by MAT credit entitlement and deferred tax.

Net profit after tax, as restated. For the nine months ended December 31, 2009, our net profit after tax, as restated and adjusted for minority interest in our Subsidiaries, was Rs. 441.46 million.

Fiscal Year 2009 Compared to the Fiscal Year 2008

Our results of operations for the fiscal year 2009 were particularly affected by the following factors:

- increase in power produced and sold during the fiscal year 2009;
- increase in administrative expenses;
- decrease in the income received from sale of CERs; and
- increase in average tariffs received for power sold during the fiscal year 2009.

Total income. Our total income increased by 11.9% to Rs. 2,506.24 million for the fiscal year 2009 from Rs. 2,239.78 million for the fiscal year 2008. This increase was primarily due to increases in income from the sale of electricity and other income.

Sale of electricity. Our income from sale of electricity increased by 22.8% to Rs. 2,439.17 million for the fiscal year 2009 from Rs. 1,986.99 million for the fiscal year 2008. This increase was primarily due to an increase in average tariff realisation by AERL and an increase in power generated and sold during the period as a result of the commissioning of two additional power projects during the fiscal year 2009, namely, the 0.75 MW wind-based power project at Idukki and the 20.0 MW biomass-based power project at Nanded, Maharashtra.

Income from sale of CERs. Our income from the sale of certified emissions reductions decreased to Rs. 11.43 million for the fiscal year 2009 from Rs. 191.11 million for the fiscal year 2008, as a result of the sale of accumulated CERs for period from fiscal year 2001 to fiscal year 2006 which were sold during the fiscal year 2008. Although IBEL made no sale of CERs during the fiscal year 2009, IBEL had unsold CERs for the same period, which were recognised as a reduction in the cost of electricity generated. Income from sale of CERs constituted 0.5% and 8.5% of our total income for the fiscal years 2009 and 2008, respectively.

Other income. Our other income decreased by 9.8% to Rs. 55.64 million for the fiscal year 2009 from Rs. 61.68 million for the fiscal year 2008, primarily due to a decrease in interest income to Rs. 39.67 million for the fiscal year 2009 from Rs. 48.60 million in the fiscal year 2008. In addition, there was a decrease in dividend receipts to Rs. 1.82 million for the fiscal year 2009 from Rs. 9.15 million for the fiscal year 2008 on our investments in liquid mutual funds, partially offset by insurance claims received of Rs. 8.31 million for the fiscal year 2009. Additionally, during the fiscal year 2008, we had a net foreign exchange gain of Rs. 1.69 million as compared to nil during the fiscal year 2009. During the fiscal year 2008, we received proceeds from the sale of equity and Class A preference shares for an aggregate amount of Rs. 2,551.29 million from certain shareholders, which were invested in short term deposits and mutual funds. These amounts were subsequently withdrawn and utilised in funding the development of our power projects, which resulted in a decrease in our interest income and dividend receipts from investment in mutual funds during the fiscal year 2009.

Total expenditure. Our total expenditure increased by 15.3% to Rs. 1,859.18 million for the fiscal year 2009 from Rs. 1,612.41 million for the fiscal year 2008, primarily due to an increase in the cost of electricity generated, personnel costs, administrative expenses and selling and distribution expenses.

Cost of electricity generated. Our cost of electricity generated increased by 11.7% to Rs. 864.38 million for the fiscal year 2009 from Rs. 773.79 million for the fiscal year 2008, primarily on account of an increase in fuel cost due to increase in coal prices globally and natural gas and biomass prices in India and the commencement of power generation at our power plants in Kerala and Maharashtra. In addition, our expense on stores, spares and consumables increased to Rs. 112.75 million for the fiscal year 2009 from Rs. 37.46 million for the fiscal year 2008 on account of an overhaul of the engines at the power project owned and operated by AERL. The increase in cost of electricity generated was partially offset by the closing value of CERs of Rs. 19.09 million in fiscal 2009.

Personnel costs. Our personnel costs increased by 26.5% to Rs. 96.64 million for the fiscal year 2009 from Rs. 76.39 million for the fiscal year 2008, primarily due to an increase in our employees from as a result of the hiring of operational personnel following the commencement of power generation at our power projects at Idukki and Maharashtra, annual salary increments and bonus payments to employees.

Administrative expenses. Our administrative expenses increased by 43.8% to Rs. 192.53 million for the fiscal year 2009 from Rs. 133.92 million for the fiscal year 2008, primarily due to an increase in licence and filing fees of Rs. 6.78 million, an increase in miscellaneous and other administrative expenses by 47.0% to Rs. 35.94 million for the fiscal year 2009 from Rs. 24.45 million for the fiscal year 2008, an increase in travelling and conveyance expenses by 40.5% to Rs. 18.54 million for the fiscal year 2009 from Rs. 13.20 million for the fiscal year 2008 and an increase in professional and consultancy charges by 26.9% to Rs. 21.20 million for the fiscal year 2009 from Rs. 16.70 million for the fiscal year 2008. Additionally, during the fiscal year 2009, we incurred a foreign exchange loss of Rs. 26.12 million. The increase in administrative expenses was partially offset by a decrease in rates and taxes to Rs. 7.94 million for the fiscal year 2009 from Rs. 13.94 million for the fiscal year 2008.

Selling and distribution expenses. Our selling and distribution expenses increased to Rs. 82.08 million for the fiscal year 2009 from Rs. 40.33 million for the fiscal year 2008, primarily due to an increase in wheeling

charges incurred by AERL and new wheeling charges incurred by IBPIL and RRREL with respect to the sale of electricity to third parties and captive consumers, respectively. The increase in wheeling charges incurred by AERL was on account of an increase in the average tariff rates received by AERL on the sale of electricity.

Finance charges. Our finance charges increased by 6.6% to Rs. 351.74 million for the fiscal year 2009 from Rs. 330.10 million for the fiscal year 2008. Finance charges constituted 14.0% and 14.7% of our total income for the fiscal years 2009 and 2008, respectively.

Depreciation. Our depreciation expense increased by 5.4% to Rs. 271.82 million for the fiscal year 2009 from Rs. 257.88 million for the fiscal year 2008 in line with an increase in fixed assets. Depreciation constituted 10.8% and 11.5% of our total income for the fiscal years 2009 and 2008, respectively.

Exceptional Items. Exceptional items relate to provisions and payouts to captive consumers of AERL (subsidiary of our Company) arising out of compensation and penalty claims for non fulfilling the terms of the contracts for supply of power with such captive consumers. The total accruals relating to the fiscal 2009 increased by 55.5% to Rs.28.89 million from Rs.18.58 million in fiscal 2008.

Profit after tax but before minority interest. Our profit after tax but before minority interest decreased by 6.8% to Rs. 534.18 million for the fiscal year 2009 from Rs. 573.39 million for the fiscal year 2008. This decrease includes deductions for current tax and deferred tax, partially offset by a MAT credit entitlement.

Net profit after tax, as restated. For the fiscal year 2009, our net profit after tax, as restated and adjusted for minority interest in our Subsidiaries, was Rs. 253.68 million as compared to Rs. 493.20 million for the fiscal year 2008.

Fiscal Year 2008 Compared to the Fiscal Year 2007

Pursuant to various share transfer agreements dated September 18, 2006, entered into between our Company and the shareholders of DHPL, IBEL, IBETL, RRREL and IBEML, each of DHPL, IBEL, IBETL, RRREL and IBEML became subsidiaries of our Company for a total consideration of Rs.353.12 million. The results of their operations were consolidated for the first time during the fiscal year 2007. The consideration was settled in the form of transfer of unquoted investments held by the Company amounting to Rs.23.47 million and issue of equity shares for the balance consideration of Rs.329.66 million. As part of the consideration 1,231,676 shares were issued at a premium of Rs.240 per share and another 2,173,651 shares were issued at par. The remaining fraction of Rs.100 was paid in cash. The excess of net assets acquired in these subsidiaries that included the results of operations of DHPL, IBEL, IBETL, RRREL and IBEML for the six months ended September 30, 2006 as adjusted for the existing and additional investments in these entities and the total consideration of Rs.353.12 million mentioned above were included as 'Capital Reserve' in the consolidated restated financial statements for the fiscal year 2007 and additionally, in the case of IBEL, as 'Share of Profits in Associate', in the consolidated restated financial statements for the fiscal year 2007. The results of operations for the six-month period from October 1, 2006 to March 31, 2007, of the new Subsidiaries, were consolidated in the consolidated restated financial statements for the fiscal year 2007.

Our results of operations for the fiscal year 2008 were particularly affected by the consolidation of the results of IBEL, IBEML, IBETL, RRREL and DHPL for the entire fiscal year 2008 as compared to only six months of the fiscal year 2007.

Total income. Our total income increased by 44.9% to Rs. 2,239.78 million for the fiscal year 2008 from Rs. 1,546.06 million for the fiscal year 2007, primarily due to income from our associates and entities which became our Subsidiaries with effect from October 1, 2006 and hence, the fiscal year 2008 reflected a full year's financial performance of such Subsidiaries and corresponding increases in income from the sale of electricity and income from the sale of CERs as compared to only six months for the fiscal year 2007.

Sale of electricity. Our income from sale of electricity increased by 30.9% to Rs. 1,986.99 million for the fiscal year 2008 from Rs. 1,518.17 million for the fiscal year 2007, primarily due to an increase in power produced and sold during the period.

Income from sale of CERs. Our income from the sale of CERs increased to Rs. 191.11 million for the fiscal year 2008 from nil for the fiscal year 2007 due to income from the sale of CERs accrued by IBEL, DHPL and RRREL for an aggregate amount of Rs. 112.05 million, Rs. 10.52 million and Rs. 68.54 million, respectively.

Other income. Our other income increased to Rs. 61.68 million for the fiscal year 2008 from Rs. 27.89 million for the fiscal year 2007, primarily due to increase in interest income to Rs. 48.60 million for the fiscal year 2008 from Rs. 6.20 million for the fiscal year 2007. There was an increase in dividend payments received from temporary investments in mutual funds to Rs. 9.15 million for the fiscal year 2008 from Rs. 0.22 million for the fiscal year 2007. In the fiscal year 2008, we received equity contributions for an aggregate amount of Rs. 2,551.29 million from certain shareholders, which were invested in short term deposits and mutual funds.

Total expenditure. Our total expenditure increased by 37.6% to Rs. 1, 612.41 million for the fiscal year 2008 from Rs. 1,171.48 million for the fiscal year 2007, primarily due to consolidation of results of our Subsidiaries and corresponding increases in expenditure.

Cost of electricity generated. Our cost of electricity generated increased by 28.0% to Rs. 773.79 million for the fiscal year 2008 from Rs. 604.34 million for the fiscal year 2007. This increase was primarily on account of the consolidation of our new Subsidiaries' operations for the twelve months of the fiscal year 2008 as compared to six months of the fiscal year 2007. The increase included increase in costs for fuel consumed by 21.4% to Rs. 582.52 million for the fiscal year 2008 from Rs. 479.87 million for the fiscal year 2007, although average fuel costs were lower in the fiscal year 2008 as compared to the fiscal year 2007, an increase in operations and maintenance expenses to Rs. 116.17 million for the fiscal year 2008 from Rs. 53.49 million for the fiscal year 2007 and an increase in other operating expenses by 30.4% to Rs. 24.83 million for the fiscal year 2008 from Rs. 19.04 million for the fiscal year 2007 which was partially offset by a decrease in repairs and maintenance expenses on factory buildings to Rs. 1.00 million for the fiscal year 2008 from Rs. 6.97 million for the fiscal year 2007 and a decrease in repairs and maintenance expenses on plant and machinery by 55.3% to Rs. 3.48 million for the fiscal year 2008 from Rs. 7.79 million for the fiscal year 2007.

Personnel costs. Our personnel costs increased to Rs. 76.39 million for the fiscal year 2008 from Rs. 23.57 million for the fiscal year 2007, primarily due to an increase in our employees as a result of increase in employees of Subsidiaries, annual salary increments and bonus payments to employees.

Administrative expenses. Our administrative expenses increased by 75.00% to Rs. 133.92 million for the fiscal year 2008 from Rs. 76.51 million for the fiscal year 2007. This increase was primarily on account of the consolidation of our new Subsidiaries' operations for the twelve months of the fiscal year 2008 as compared to six months of the fiscal year 2007. The increase primarily includes an increase in miscellaneous expenses to Rs. 24.45 million for the fiscal year 2008 from Rs. 10.01 million for the fiscal year 2007, an increase in rent paid to Rs. 12.55 million for the fiscal year 2008 from Rs. 4.74 million for the fiscal year 2007, an increase in discounts provided to customers for making prompt payments to Rs. 12.53 million for the fiscal year 2008 from Rs. 7.26 million for the fiscal year 2007, an increase in rates and taxes paid to Rs. 13.94 million for the fiscal year 2008 from Rs. 4.13 million for the fiscal year 2007, an increase in professional and consultancy charges by 40.5% Rs. 16.70 million for the fiscal year 2008 from Rs. 11.89 million for the fiscal year 2007 and, an increase in travelling and conveyance expenses by 53.0% to Rs. 13.20 million for the fiscal year 2008 from Rs. 8.63 million for the fiscal year 2007 and an increase in compensation by AERL to captive consumers by 58.4% to Rs. 18.58 million for the fiscal year 2008 from Rs. 11.73 million for the fiscal year 2007, which was partially offset by a decrease in insurance costs by 13.6% to Rs. 10.86 million for the fiscal year 2008 from Rs. 12.57 million for the fiscal year 2007.

Selling and distribution expenses. Our selling and distribution expenses increased by 12.8% to Rs. 40.33 million for the fiscal year 2008 from Rs. 35.76 million for the fiscal year 2007. This increase was primarily due to an increase in wheeling charges incurred by IBEL and AERL on account of the sale of power to third party consumers and captive consumers, respectively.

Finance charges. Our finance charges increased by 31.4% to Rs. 330.10 million for the fiscal year 2008 from Rs. 251.17 million for the fiscal year 2007. Finance charges constituted 14.7% and 16.2% of our total income for the fiscal years 2008 and 2007, respectively. The increase in total indebtedness was as a result of growth of our business and operations. The increase in total interest expense consisted of an increase in interest paid on term loans and bank debt.

Depreciation. Our depreciation expense increased by 43.2% to Rs. 257.88 million for the fiscal year 2008 from Rs. 180.13 million for the fiscal year 2007, primarily on account of the effect of consolidation as described earlier. Depreciation constituted 11.5% and 11.7% of our total income for the fiscal years 2008 and 2007, respectively.

Exceptional Items. Exceptional items relate to provisions and payouts to captive consumers of AERL (subsidiary of our Company) arising out of compensation and penalty claims for non fulfilling the terms of the contracts for supply of power with such captive consumers. The total accruals relating to the fiscal 2008 increased by 58.4% to Rs.18.58 million from Rs.11.73 million in fiscal 2007.

Profit after tax but before minority interest. Our profit after tax but before minority interest increased to Rs. 573.39 million for the fiscal year 2008 from Rs. 255.85 million for the fiscal year 2007. This increase includes deductions for current tax, MAT credit utilisation and fringe benefit tax, partially offset by deferred tax.

Equity in (profit)/ losses of associate. Our equity in the profit of our associate decreased to nil for the fiscal year 2008 from Rs. 6.23 million for the fiscal year 2007. This was primarily due to IBEL's change in status from an associate company to Subsidiary with effect from October 1, 2006.

Net profit after tax, as restated. For the fiscal year 2008, our net profit after tax, as restated and adjusted for minority interest in our Subsidiaries, was Rs. 493.20 million as compared to Rs. 188.23 million for the fiscal year 2007.

Fiscal Year 2007 Compared to the Fiscal Year 2006

Our results of operations for the fiscal year 2007 were particularly affected by the following factors:

- IBEL, RRREL, IBETL, IBEML, IBPGL and DHPL became our Subsidiaries with effect from October 1, 2006 thus increasing our income and expenditure for the last six months of the fiscal year 2007; and
- although AERL commenced commercial operations of its first set of generating units in March 2006 the plant was fully commissioned in November 2006, and the results of operation of AERL were fully captured in the fiscal year 2007.

Total income. Our total income was Rs. 1,546.06 million and Rs. 102.62 million for the fiscal years 2007 and 2006, respectively.

Sale of electricity. Our income from sale of electricity increased to Rs. 1,518.17 million for the fiscal year 2007 from Rs. 100.04 million for the fiscal year 2006, primarily due to the commencement of commercial operations by AERL and consolidation of results of operations of AERL and subsidiaries acquired with effect from October 1, 2006.

Other income. Our other income for the fiscal year 2007 was Rs. 27.89 million and consisted primarily of income from the profit on sale of investment in associate of Rs. 13.30 million, interest income of Rs. 6.20 million and miscellaneous income of Rs. 5.52 million. Our other income for the fiscal year 2006 was Rs. 2.58 million and consisted primarily of interest income of Rs. 2.53 million.

Total expenditure. Our total expenditure was Rs. 1,171.48 million and Rs. 74.83 million for the fiscal years 2007 and 2006, respectively, primarily due to the commencement of commercial operations by AERL and consolidation of results of our Subsidiaries and corresponding increases in expenditure.

Cost of electricity generated. Our cost of electricity generated for the fiscal year 2007 was Rs. 604.34 million and consisted primarily of expenses on fuel consumed of Rs. 479.87 million, operating and maintenance expenses of Rs. 53.49 million, expenses on stores, spares and consumables of Rs. 33.28 million and other operating expenses of Rs. 19.08 million. Our cost of electricity generated for the fiscal year 2006 was Rs. 36.62 million and consisted primarily of expenses on fuel consumed of Rs. 33.42 million, other operating expenses of Rs. 1.68 million and operating and maintenance expenses of Rs. 1.23 million.

Personnel costs. Our personnel costs were Rs. 23.57 million and Rs. 1.45 million for the fiscal years 2007 and 2006, respectively, and primarily consisted of salaries, wages and bonus payments to employees.

Administrative expenses. Our administrative expenses for the fiscal year 2007 were Rs. 76.51 million, which primarily consisted of insurance payments of Rs. 12.57 million, professional and consultancy charges of Rs. 11.89 million and miscellaneous expenses of Rs. 10.01 million. Our administrative expenses for the fiscal year 2006 were Rs. 3.44 million, which primarily consisted of other administrative expenses of Rs. 0.55 million, bid participation fees of Rs. 0.50 million and travelling and conveyance expenses of Rs. 0.46 million.

Selling and distribution expenses. Our selling and distribution expenses increased to Rs. 35.76 million for the fiscal year 2007 from Rs. 2.28 million for the fiscal year 2006, on account of wheeling charges incurred by IBEL and AERL on the sale of power to third party customers and captive consumers, respectively.

Finance charges. Our finance charges for the fiscal year 2007 were Rs. 251.17 million, which primarily consisted of interest charges on term loans of Rs. 142.98 million, interest charges on debentures of Rs. 89.81 million and interest charges on cash credit facilities of Rs. 14.07 million. Our finance for the fiscal year 2006 were Rs. 18.08 million, which primarily consisted of interest charges on term loans of Rs. 17.02 million and bank charges of Rs. 1.00 million. Finance charges constituted 16.2% and 17.6% of our total income for the fiscal years 2007 and 2006, respectively.

Depreciation. Our depreciation expenses were Rs. 180.13 million and Rs. 12.96 million for the fiscal years 2007 and 2006, respectively. This increase was primarily due to the consolidation effect of our newly acquired Subsidiaries. Depreciation constituted 11.7% and 12.6% of our total income for the fiscal years 2007 and 2006, respectively.

Exceptional Items. Exceptional items relate to provisions and payouts to captive consumers of AERL (subsidiary of our Company) arising out of compensation and penalty claims for non fulfilling the terms of the contracts for supply of power with such captive consumers. The total accruals relating to the fiscal 2007 was Rs.11.73 million as compared to nil in fiscal 2007.

Profit after tax but before minority interest. Our profit after tax but before minority interest was Rs. 255.85 million and Rs. 26.53 million for the fiscal years 2007 and 2006, respectively. This increase in the fiscal year 2007 includes deductions for deferred tax and current tax, partially offset by a MAT credit entitlement.

Equity in profit/ (losses) of associate. Our equity in the profit of our associate was Rs. 6.23 million and Rs. 11.32 million for the fiscal years 2007 and 2006, respectively. This decrease is primarily due to the change of status of IBEL from associate company to Subsidiary with effect from October 1, 2007.

Net profit after tax, as restated. For the fiscal year 2007, our net profit after tax, as restated and adjusted for minority interest in our Subsidiaries, was Rs. 188.23 million as compared to Rs. 37.75 million for the fiscal year 2006.

Financial Condition, Liquidity and Capital Resources

The business of power generation is capital intensive. Our power projects under implementation and planned power projects will require significant design, development and construction capital and the funding of operating losses during the start-up phase of each power project. We intend to finance approximately 75.0% of the cost of our power projects through term loans from third-parties and the balance through equity contributions and cash flows from our operations. We believe that the availability of cost effective funding will be crucial and the availability of such funding at favourable terms could affect our business, financial conditions and results of operations.

For details, see “Financial Indebtedness” and “Objects of the Issue” on page 356 and 93, respectively.

Cash Flows

The following table sets forth our consolidated cash flows for the fiscal years 2009, 2008 and 2007 and the nine months ended December 31, 2009:

(In Rs. Millions)

	Nine Months Ended December 31, 2009	Fiscal Year		
		2009	2008	2007
Net cash generated from/(used in) operating activities	1,070.90	513.04	933.67	979.26
Net cash generated from/(used in) investing activities	(6,744.32)	(4,298.19)	(3,277.52)	(875.70)
Net cash generated from/(used in) financing activities	7,659.11	3,565.63	2,856.44	205.53
Unrealised (loss)/gain on cash and cash equivalents	(1.51)	2.67	(1.88)	-
Net increase/ (decrease) in cash and cash equivalents	1,985.69	(219.52)	512.59	309.08

Cash in the form of bank deposits, current account balances and cash on hand represents our cash and cash equivalents.

Cash Flows from Operating Activities

Net cash generated from operating activities for the nine months ended December 31, 2009 was Rs. 1,070.90 million, consisting of net profit before tax and minority interest as restated of Rs. 549.01 million, as adjusted for, among others, depreciation of Rs. 233.40 million, interest and finance charges of Rs. 304.59 million, provision for doubtful advance in relation to advances made to our Indonesian Subsidiary, PT Indbharath Energy, of Rs. 93.36 million, unrealised foreign exchange loss of Rs. 64.07 million, fixed assets written off on account of shifting the location of the 300.0 MW coal based power project of IBTPL from Karwar to Thoothukudi and interest income of Rs. 27.33 million, and as further adjusted for, increase in inventories of Rs. 212.36 million, increase in trade receivables of Rs. 28.13 million, increase in trade payables and others of Rs. 305.07 million and increase in loans and advances of Rs. 171.79 million. The total income tax and fringe benefit tax paid was Rs. 83.47 million.

Net cash generated from operating activities for the fiscal year 2009 was Rs. 513.04 million, consisting of net profit before tax and minority interest of Rs. 618.17 million, as adjusted for, among others, depreciation of Rs. 271.82 million, interest and finance charges of Rs. 351.74 million, interest income of Rs. 39.67 million and unrealised foreign exchange gain of Rs. 106.86 million, and as further adjusted for, increase in inventories of Rs. 192.30 million, increase in unbilled revenue of Rs. 249.95 million, increase in trade receivables of Rs. 11.43 million and increase in loans and advances of Rs. 60.31 million and decrease in trade payables and others of Rs. 11.24 million. The total income tax and fringe benefit tax paid was Rs. 56.61 million.

Net cash generated from operating activities for the fiscal year 2008 was Rs. 933.67 million, consisting of net profit before tax and minority interest of Rs. 608.79 million, as adjusted for, among others, depreciation of Rs. 257.88 million, interest and finance charges of Rs. 330.10 million, interest income of Rs. 48.60 million, dividend income of Rs. 9.15 million and unrealised foreign exchange gain of Rs. 1.98 million and as further adjusted for, increase in inventories of Rs. 125.75 million, increase in unbilled revenue of Rs. 6.65 million, increase in trade receivables of Rs. 50.77 million, increase in loans and advances of Rs. 98.47 million primarily on account of advances made to suppliers of capital goods and raw materials and partially offset by an increase in trade payables and others of Rs. 129.41 million. The total income tax and fringe benefit tax paid was Rs. 51.16 million.

Net cash generated from operating activities for the fiscal year 2007 was Rs. 979.26 million, consisting of net profit before tax and minority interest of Rs. 362.85 million, as adjusted for, among others, depreciation of Rs. 180.13 million, interest and finance charges of Rs. 251.17 million, interest income of Rs. 6.20 million and profit on sale of investments of Rs. 13.30 million, and as further adjusted for, increase in inventories of Rs. 18.69 million, increase in unbilled revenue of Rs. 19.37 million, increase in trade receivables of Rs. 33.62 million and partially offset by increase in trade payables and others of Rs. 27.23 million and decrease in loans and advances of Rs. 250.71 million. The total income tax and fringe benefit tax paid was Rs. 0.20 million.

Cash Flows from Investing Activities

Net cash used in investing activities for the nine months ended December 31, 2009 was Rs. 6,744.32 million, primarily consisting of purchase of fixed assets for power projects that were under implementation by IBEUL, IBTPL and IBPGL of Rs. 4,595.63 million, purchase of investments, which are short-term in nature, in various mutual funds of Rs. 2,103.73 million, net advances given to significant interest entities of Rs. 35.82 million and acquisition of minority interest for Rs. 40.30 million partially offset by, among others, interest received on short term deposits and balances of Rs. 23.17 million.

Net cash used in investing activities for the fiscal year 2009 was Rs. 4,298.19 million, primarily consisting of purchase of fixed assets for power projects that were under implementation by IBEUL, IBTPL and IBPGL of Rs. 4,836.94 million, acquisition of minority interest in AERL for Rs. 130.83 million, partially offset by, among others, proceeds from sale of investments made by our Company of Rs. 459.08 million, net advances recovered from significant interest entities of Rs. 55.69 million, inter corporate deposits recovered of Rs. 120.07 million and interest received on short term deposits and balances of Rs. 36.06 million.

Net cash used in investing activities for the fiscal year 2008 was Rs. 3,277.52 million, primarily consisting of purchase of fixed assets in power projects under implementation during the period by our Company of Rs. 2,521.53 million, purchase of investments by our Company in the HDFC CMS Savings plan of Rs. 459.08 million, inter corporate deposits of Rs. 120.07 million, acquisition of preference shares from minority shareholders for Rs. 202.94 million and net advances given to significant interest entities of Rs. 24.85 million, partially offset by, among others, interest received short term deposits and other balances of Rs. 48.60 million and dividends received from short term investments of Rs. 9.15 million.

Net cash used in investing activities for the fiscal year 2007 was Rs. 875.70 million, primarily consisting of purchases of fixed assets in power projects under implementation during the period of Rs. 916.68 million, net advances given to significant interest entities of Rs. 63.92 million and payments for acquisition of net assets in associate companies and Subsidiaries of Rs. 108.20 million, partially offset by, among others, inter corporate deposits repaid by significant interest entities and others of Rs. 124.66 million, proceeds from sale of investments of Rs. 29.12 million and funds recovered from directors Rs. 26.74 million.

Cash Flows from Financing Activities

Net cash generated from financing activities for the nine months ended December 31, 2009 was Rs. 7,659.11 million, consisting of proceeds from issue of share capital/share application money received from investors such as CVC Investors, Sequoia Capital India Growth Investment Holdings II and Bessemer Venture Partners Trust and Sriba Seabase Private Limited of Rs. 4,350.00 million, proceeds from secured loans of Rs. 3,169.12 million, equity contribution in IBEUL received from Power Trading Corporation Limited of Rs. 1,050.68 million and proceeds from unsecured loans of Rs. 85.16 million, partially offset by repayment of unsecured loans of Rs. 528.86 million, interest paid of Rs. 304.96 million and repayment of secured loans of Rs. 162.03 million.

Net cash generated from financing activities for the fiscal year 2009 was Rs. 3,565.63 million, consisting of acceptance of secured loans of Rs. 3,002.01 million, proceeds from unsecured loans received from third parties of Rs. 709.96 million, equity contribution in IBPGL received from Power Trading Corporation Limited of Rs. 557.53 million and proceeds from issue of share capital primarily to CVC Investors of Rs. 348.68 million, partially offset by repayment of unsecured loans of Rs. 44.24 million, interest paid of Rs. 358.07 million and repayment of secured loans of Rs. 650.24 million.

Net cash generated from financing activities for the fiscal year 2008 was Rs. 2,856.44 million, primarily consisting of acceptance of secured loans of Rs. 982.18 million, proceeds from unsecured loans of Rs. 28.22 million and proceeds from issue of share capital to / share application money from CVC Investors and UTI Venture Funds Management Company Limited of Rs. 2,551.29 million, partially offset by repayment of unsecured loans of Rs. 40.19 million, interest paid of Rs. 331.44 million, repayment of secured loans of Rs. 269.72 million, refund of share application money received from minority shareholders of Rs. 22.70 million and preference dividend paid (including tax thereon) to Wartsila India Limited and Banaras House Investment Company Limited.

Net cash generated from financing activities for fiscal year 2007 was Rs. 205.52 million, consisting of proceeds from issue of share capital to / share application money from Sriba Seabase Private Limited of Rs. 155.59 million, acceptance of secured loans of Rs. 298.86 million, equity contribution received from minority shareholders in entities such as AERL and IBEML of Rs. 125.14 million and proceeds from unsecured loans of Rs. 46.09 million, partially offset by repayment of unsecured loans of Rs. 47.85 million, interest paid of Rs. 243.52 million and repayment of secured loans of Rs. 128.79 million.

Fixed Assets

As of December 31, 2009, we had Rs. 16,357.11 million of fixed assets, comprising Rs. 10,798.06 million of capital work in progress and net block, of Rs. 5,559.05 million. Expenses incurred relating to projects prior to commencement of commercial production are classified as “Project Development Expenditure” and disclosed under “Capital Work-in-Progress”.

Indebtedness

As of December 31, 2009, we had Rs. 9,637.07 million of secured loans outstanding, consisting of term loans from banks and financial institutions of Rs. 8,454.50 million in principal amount, 60,484,859 secured redeemable non-convertible debentures of Rs. 10.00 each aggregating Rs. 604.85 million, cash credit arrangements of Rs. 557.68 million and vehicle loans of Rs. 20.03 million.

As of the date of this Draft Red Herring Prospectus, we have entered into a loan agreement of Rs. 23,890.00 million in respect of the 700.0 MW power project currently under implementation by IBEUL. We have also received an underwriting letter for Rs. 26,960.00 million with respect to the 660.0 MW power project currently under implementation by IBPML.

We believe that we have a good relationship with our lenders. Compliance with the terms of our loans is, however, subject to interpretation, and we cannot assure you that we have requested or received all consents from our lenders that required by our financing agreements. As a result, it is possible that a lender could assert that we have not complied with all the terms under our existing financing agreements.

Any failure to service our indebtedness, comply with a requirement to obtain a consent, or perform any condition or covenant could lead to a termination of one or more of our credit facilities, acceleration of all amounts due under such facilities, any of which may adversely affect our business, results of operations and financial condition.

For further details see “Financial Indebtedness” on page 356.

Contractual Obligations and Commercial Commitments

The following table sets forth our contractual obligations and commercial commitments as of March 31, 2010, and the effect such obligations are expected to have on our liquidity and cash flows in future periods.

Particulars	As of March 31, 2010	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(Rs. in million)				
Indebtedness	9,903.36	1,056.56	2,846.30	8,168.03	28,788.70

Capital Expenditure

Our principal capital expenditure requirements involve the development and construction of our power projects. The table below summarises the amounts spent by our Company or our Subsidiaries on each of the power projects currently under implementation and the estimated completion cost of such project.

Power Project	Implementation Costs Incurred (Rs. in million)	Estimated Total Completion Cost (Rs. in million)
DHPL Maujhi Phase II	421.16*	339.32
IBPGL Phase II	2,421.90*	2,356.80
IBEUL	6,178.68**	31,850.00
IBTPL	3,494.20**	12,970.00
IBPML	184.94**	35,950.00
Total	12,700.88	83,466.12

* as of March 31, 2010

** as of April 30, 2010

Contingent Liabilities

Our consolidated contingent liabilities as of December 31, 2009 included the following:

DETAIL OF CONTINGENT LIABILITIES, AS RESTATED	
PARTICULARS	AS AT 31 DECEMBER 2009
CONTINGENT LIABILITIES	
Guarantees issued by bank	268.37
Preference dividend (including dividend tax thereon)	0.26
Letters of credit outstanding	1,068.70
Demand from customs authorities	8.49
Total	1,345.82
CAPITAL COMMITMENTS	
Estimated amounts of contracts remaining unexecuted on capital account	23,727.43

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Transactions with Related Parties

Our related party transactions for the nine months ended December 31, 2009, primarily consisted of unsecured loans taken from group companies/associates of Rs. 1.83 million, unsecured loans repaid to group companies/associates of Rs. 137.14 million, advances given to group companies/associates of Rs. 45.87 million, advances recovered from group companies/associates Rs. 10.05 million, interest income of Rs. 4.15 million and remuneration and allowances to directors of Rs. 41.04 million. For further details on such transactions, see "Financial Statements - Annexure - XIII - Statement of loans and advances" on page 339.

Quantitative and Qualitative Disclosure about Market Risk

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 356. As of December 31, 2009, Rs. 7,684.86 million, or approximately 79.74% of our total debt, 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, 2009, we had Rs. 451.91 million of foreign currency borrowings outstanding. Additionally we are exposed to potential foreign exchange risks with respect to import of coal for our operational power plants. We are also exposed to foreign currency risks arising out of the consolidation of our Indonesian subsidiary. These exposures are to United States dollars and the Indonesian Rupiah. 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 and exchange related risks with respect to PT Indbharath Energy. 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.

Inflation

In recent years, India has not experienced significant inflation and accordingly inflation has not had any material impact on our business and results of operations. According to the CIA World Factbook, inflation in India was estimated to be approximately 10.7% and 8.3%, for the calendar years 2009 and 2008, respectively. Although the Government of India has initiated several economic measures to curb the rise in inflation rates, it is unclear at this stage whether these measures will have the desired effect.

Price of Fuel

As our power projects enter commercial operation, we will be dependent upon our suppliers for coal. See “Management's Discussion and Analysis of Financial Condition and Results Of Operations” and “Our Business - Significant Factors Affecting our Results of Operations” on page 393 and page 139, respectively.

Credit Risk

A significant part of our revenues are derived from the sale of power to state-owned distribution companies and other public and private procurers. Certain of these entities have had a weak credit history. Consequently, we are exposed to risks associated with entering into arrangements with such entities.

Other Qualitative Factors

Significant Developments occurring after December 31, 2009

- Our Company, pursuant to a resolution passed by our shareholders at the extraordinary general meeting, dated May 10, 2010, has issued bonus shares to our existing shareholders in the ratio of 155 Equity Shares for every 100 Equity Shares outstanding.
- Pursuant to the resolution of the Compensation Committee dated May 15, 2010 and of the shareholders on 10 May 2010, the Company approved the IBPIL Employee Stock Option Plan-2010 (“the ESOP Plan”) under which 1,245,122 (pre bonus 488,283) stock options were set aside, each convertible into 1 equity share each, from time to time, being not more than 1.02% of the fully diluted paid-up equity share capital of the Company at any point in time. Under the ESOP Plan options can be granted to only such persons who are in permanent employment of the Company and certain consolidated subsidiaries, whether working in or outside of India and the Directors of the Company, whether whole time or otherwise, other than the promoters of the Company or a Director, who by himself or through his relatives or through any body

corporate, directly or indirectly holds more than 10% of the issued and subscribed equity shares of the Company. The vesting period under the ESOP Plan would range from one year to four years and will be subject to certain performance conditions, which may be specified under the terms of each of the grants. The exercise period for the options will be within a period of 3 years from the date of vesting.

- Our Company has signed an amendment agreement dated May 31, 2010 to the Investment Agreement dated October 21, 2009, whereby:
 - (a) a total of 34,315 Class A Preference Shares have been converted into 1,906,394 Equity Shares;
 - (b) the remaining Class A Preference Shares shall be converted into Equity Shares, based on valuation at the time of the Issue, within a total range of 9 Equity Shares to 3,153,465 Equity Shares;
 - (c) the Class B Preference Shares shall be converted into Equity Shares, based on valuation at the time of the Issue, within a total range of 9 Equity Shares to 4,553,786 Equity Shares; and
 - (d) all of the conversions under (a), (b) and (c) are subject to adjustments, if any, on account of bonus issues, stock splits or recapitalisation.

For further details see “*Terms of Conversion of Convertible Securities – Capital Structure*” on page 79.

- Our Company has pursuant to the the resolutions of the Board of Directors dated 6 May 2010 and 15 May 2010 and of the shareholders as on 10 May 2010, the Company issued 100,000 convertible warrants to K. Raghu, which entitles him to convert these warrants into a minimum of 1,551,093 (pre bonus 608,272) equity shares or a maximum of 3,816,735 (pre bonus 1,496,759) equity shares, for a consideration of Rs. 324.31 million. Warrants once allotted would be required to be converted into equity shares within the ‘warrant conversion period’ valid until earlier of (a) filing of the Prospectus, and (b) November 29, 2010
- Our Company has pursuant to the the resolutions of the Board of Directors dated 6 May 2010 and 15 May 2010 and of the shareholders as on 10 May 2010, the Company issued 100,000 convertible warrants to K. Raghu, which entitles him to convert these warrants into a minimum of 1,551,093 (pre bonus 608,272) equity shares or a maximum of 3,816,735 (pre bonus 1,496,759) equity shares, for a consideration of Rs. 324.31 million. Warrants once allotted would be required to be converted into equity shares within the ‘warrant conversion period’ valid until earlier of (a) filing of the Prospectus, and (b) November 29, 2010.

For further details see “*Terms of Conversion of Convertible Securities – Capital Structure*” on page 79.

Except as stated elsewhere in this Draft Red Herring Prospectus, to our knowledge 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.

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”.

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 139, 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 139, 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” beginning on page 13 and 139, respectively.

SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Subsidiaries, Directors, Promoters and Group Companies, and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company or Subsidiaries and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, Promoter or Directors. Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

Neither our Company nor our Promoters, members of the Group Companies, Subsidiaries, associates and Directors have been declared as defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by us in the past or pending against us.

Company

Against our Company

1. An appeal bearing ITA No. 1692/H/of 2008 has been filed by the Assistant Commissioner Income Tax, Circle 2(1), Hyderabad against our Company before the Income Tax Appellate Tribunal. The appeal has been preferred over the order passed by the Appellate Commissioner of Income Tax dated September 23, 2008, which held that the non compete fee received by our Company is of capital nature. The matter is pending.
2. The Deputy Commissioner of Income Tax, Circle-2(1), Hyderabad (“**Deputy Commissioner**”) has issued a notice of demand under section 156 of the Income Tax Act, 1951 to our Company on December 29, 2009, demanding a sum of Rs. 10,266,987.00 for the assessment year 2007-08. The Deputy Commissioner has claimed that our Company has received certain unsecured loans from our Subsidiary, IBEL, which in accordance with the Income Tax Act, 1951 is constructed as “deemed dividend” and is subject to tax. Our Company has preferred an appeal against the said order of the Deputy Commissioner on February 08, 2010, before the Commissioner of Income Tax (Appeals) praying that the order passed by the Deputy Commissioner is erroneous in law and facts. The matter is pending.

By our Company

3. An appeal bearing ITTA No.568 of 2006 has been filed by our Company against the Deputy Commissioner of Income Tax, Central Circle-1, Hyderabad before the High Court of Andhra Pradesh. The appeal has been preferred over the order I.T A No. 1247/HYD/2003 dated June 22, 2006 passed by the Income Tax Appellate Tribunal, Hyderabad Bench B disallowing expenditure in the nature of interest with respect to assessment year 2000-01. The High Court of Andhra Pradesh has passed an interim stay order dated December 08, 2006 and the matter is pending.

Promoters

Criminal cases against the Promoters

1. Criminal complaints bearing C.C. Nos. 71/2007, 72/2007 and 73/2007 have been filed by the Deputy Commissioner of Income Tax, Circle(2) (1), Hyderabad against K.Rama Devi, K. Raghu Ramakrishna Raju and P.V.V.S.Narayana Rao, directors of Ind-Barath Energies Limited in respect of assessment years 2003-04, 2004-05 and 2005-06 for non-payment of self-assessment tax (or advance tax) amounting to: (i) Rs. 3,203,711 for the assessment year 2003-04, (ii) Rs. 3,698,540 for the assessment year 2004-05, (iii) Rs. 3,919,606 for the assessment year 2005-06, before the Special Judge for

Economic Offences at Hyderabad. K.Rama Devi and P.V.V.S.Narayana Rao have filed criminal petitions, criminal petition no. 3956 of 2008 (against C.C. no. 71/2007), criminal petition no. 3954 of 2008 (against C.C. no. 72/2007) and criminal petition no. 3957 of 2008 (against C.C. no. 73/2007) praying to quash the proceedings and grant a stay on all further proceedings in these matters. The High Court of Andhra Pradesh granted interim stay of all further proceedings in C.C. nos. 71/2007, 72/2007 and 73/2007 vide its order dated July 08, 2008 and the matter is pending.

Directors

Criminal cases against the Directors

1. Criminal complaints bearing C.C. Nos. 71/2007, 72/2007 and 73/2007 have been filed by the Deputy Commissioner of Income Tax, Circle(2) (1), Hyderabad against K.Rama Devi, K. Raghu Ramakrishna Raju and P.V.V.S.Narayana Rao, directors of Ind-Barath Energies Limited in respect of assessment years 2003-04, 2004-05 and 2005-06 for non-payment of self-assessment tax (or advance tax) amounting to: (i) Rs. 3,203,711 for the assessment year 2003-04, (ii) Rs. 3,698,540 for the assessment year 2004-05, (iii) Rs. 3,919,606 for the assessment year 2005-06, before the Special Judge for Economic Offences at Hyderabad. K.Rama Devi and P.V.V.S.Narayana Rao have filed criminal petitions, criminal petition no. 3956 of 2008 (against C.C. no. 71/2007), criminal petition no. 3954 of 2008 (against C.C. no. 72/2007) and criminal petition no. 3957 of 2008 (against C.C. no. 73/2007) praying to quash the proceedings and grant a stay on all further proceedings in these matters. The High Court of Andhra Pradesh granted interim stay of all further proceedings in C.C. nos. 71/2007, 72/2007 and 73/2007 vide its order dated July 08, 2008 and the matter is pending.
2. A contempt petition (Contempt Petition no 930 of 2009) has been filed by Thiagarajar Mills (P) Limited before the High Court of Madras against K. Raghu Ramakrishna Raju, as chairman and managing director of Arkay Energy (Rameswarm) Limited for disobedience of order dated April 29, 2009 passed in O.A. No. 419 of 2009, for an interim injunction restraining AERL from supplying 51% of the energy generated by it to any third party other than the captive consumers pending disposal of the arbitration proceedings and an interim injunction restraining AERL from supplying electricity to any third party without first supplying at least 5.072 lakhs units of electricity to Thiagarajar Mills (P) Limited. K. Raghu Ramakrishna Raju has filed a counter affidavit alleging that the contempt petition is not maintainable. The matter is pending.
3. A contempt petition (Contempt Petition no 932 of 2009) has been filed by Madura Coats Private Limited before the High Court of Madras against K. Raghu Ramakrishna Raju, as chairman and managing director of Arkay Energy (Rameswarm) Limited for disobedience of order dated April 29, 2009 passed in O.A. No. 356 of 2009, for an interim injunction restraining AERL from supplying 51% of the energy generated by it to any third party other than the captive consumers pending disposal of the arbitration proceedings and an interim injunction restraining AERL from supplying electricity to any third party without first supplying at least 23.731 lakhs units of electricity to Madura Coats Private Limited. K. Raghu Ramakrishna Raju has filed a counter affidavit alleging that the contempt petition is not maintainable. The matter is pending.
4. A contempt petition (Contempt Petition no 929 of 2009) has been filed by Sundaram Brake Linings Limited before the High Court of Madras against K. Raghu Ramakrishna Raju, as chairman and managing director of Arkay Energy (Rameswarm) Limited for disobedience of order dated April 29, 2009 passed in O.A. No. 375 of 2009, for an interim injunction restraining AERL from supplying 51% of the energy generated by it to any third party other than the captive consumers pending disposal of the arbitration proceedings and an interim injunction restraining AERL from supplying electricity to any third party without first supplying at least 7.73 lakhs units of electricity to Sundaram Brake Linings Limited. K. Raghu Ramakrishna Raju has filed a counter affidavit alleging that the contempt petition is not maintainable. The matter is pending.
5. A contempt petition (Contempt Petition no 7 of 2010) has been filed by Sundaram Clayton Limited before the High Court of Madras against K. Raghu Ramakrishna Raju, as chairman and managing director of Arkay Energy (Rameswarm) Limited for disobedience of order dated April 29, 2009 passed in O.A. No. 325 of 2009, for an interim injunction restraining AERL from supplying 51% of the energy generated by it to any third party other than the captive consumers pending disposal of the arbitration proceedings. The matter is pending.

6. A contempt petition (Contempt Petition no 8 of 2010) has been filed by Sundaram Clayton Limited before the High Court of Madras against K. Raghu Ramakrishna Raju, as chairman and managing director of Arkay Energy (Rameswarm) Limited for disobedience of order dated April 29, 2009 passed in O.A. No. 324 of 2009, for an interim injunction restraining AERL from supplying 51% of the energy generated by it to any third party other than the captive consumers pending disposal of the arbitration proceedings. The matter is pending.
7. A contempt petition (Contempt Petition no 9 of 2010) has been filed by Futura Polyesters Limited before the High Court of Madras against K. Raghu Ramakrishna Raju, as chairman and managing director of Arkay Energy (Rameswarm) Limited for disobedience of order dated April 29, 2009 passed in O.A. No. 248 of 2009, for an interim injunction restraining AERL from supplying 51% of the energy generated by it to any third party other than the captive consumers pending disposal of the arbitration proceedings. The matter is pending.
8. A contempt petition (Contempt Petition no 514 and 518 of 2010) has been filed by Sundaram Industries Limited before the High Court of Madras against K. Raghu Ramakrishna Raju, as chairman and managing director of Arkay Energy (Rameswarm) Limited for disobedience of order dated November 27, 2009 passed in O.A. No.551 and 552 of 2009, for an interim injunction restraining AERL from supplying the energy generated by it to any third party without fulfilling its obligations to the petitioner pending disposal of the arbitration proceedings and restraining AERL from stopping the supply of power. The matter is pending.
9. A contempt petition (Contempt Petition no 481 of 2010) has been filed by Sundaram Fasteners Limited before the High Court of Madras against K. Raghu Ramakrishna Raju, as chairman and managing director of Arkay Energy (Rameswarm) Limited for disobedience of order dated September 02, 2009 passed in O.A. No.902 of 2009, for an interim injunction restraining AERL restraining AERL from stopping the supply of power pending arbitration proceedings. The matter is pending.
10. M/s Mittal Investment, through its proprietor Bajranglal Balkrishan Agrawal, has filed a criminal case bearing no. 174 of 2010 against K.S. Oils Limited wherein Perumal Srinivasan has been named in his capacity as a director of K.S. Oils Limited, and a first information report has been registered at the Shahibaug Police Station in connection with loss of a share certificates of K.S. Oils Limited. However, the said certificates were already transferred in the names of various transferees. Perumal Srinivasan has filed a miscellaneous application bearing no.1891 of 2010 before the High Court of Gujarat, for dismissal of the complaint. The matter is pending.
11. Shyam Garg has filed a criminal complaint bearing C.C. No. 967/1/09 before the Court of the Metropolitan Magistrate, Patiala, House Courts, New Delhi against K.S. Oils Limited and others in which Perumal Srinivasan is impleaded as a party in his capacity as a director on the board of K.S. Oils Limited. He has filed applications under Section 91 read with Section 311 of the Code of Criminal Procedure, 1973 and Section 93 of the Code of Criminal Procedure, 1973, pursuant to the above criminal complaint. He alleges that upon making an attempt to file a first information report (FIR) on July 07, 2009 before the Police Station, Barakhamba Road, New Delhi on the alleged grounds of transfer of 5,296,000 shares by way of forgery, cheating, breach of trust and the criminal conspiracy, the FIR was not registered. Shyam Garg thereafter filed an application under section 156(3) of the Criminal Procedure Code, 1978 before the Magistrate, Patiala House Courts, New Delhi in connection with non registration of FIR. The application under section 156(3) was dismissed by Court and the applications under Section 91 read with Section 311, and under Section 93 of the Code of Criminal Procedure, 1973 are pending before the Court.

Civil cases against the Directors: A case No. 184/PS/2005 filed against Mr. V.P. Shetty, ex Chairman cum Managing Director, IDBI Bank Limited is pending in the Court of the Additional Chief Metropolitan Magistrate, 47th Court, Esplanade, at Mumbai resulting from an first information report No. 133 of 2005 registered by the Cuffe Parade Police Station on April 30, 2005. The above first information report was filed by Mr. B.W. Ramteke for an alleged offence under 3(1)(x) of the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities Act), 1989 (Atrocities Act) against which against which Mr. V.P. Shetty, preferred a writ petition no. 1324 of 2005 on May 02, 2005 in the Hon'ble High Court of Judicature at Bombay, for seeking various reliefs including quashing and setting aside the first information report. By an order dated May 06, 2005, the High Court of Judicature at Bombay ruled that the first information report No. 133 of 2005 lodged at Cuffe Parade Police Station, Mumbai, is quashed to the extent it related to the offence punishable under Sec. 3(1)(x) of the Atrocities Act, but not interfered with to the extent it related to the alleged offence under Sec. 7(1)(d) of the Civil Act. Based on the above, the case is now being pursued under the Civil Act. The matter is pending.

Subsidiaries

By the Subsidiaries

1. *Ind-Barath Energies (Maharashtra) Limited*

A petition bearing No. MERC/Case 6 of 2009/1613 has been filed by Ind-Barath Energies (Maharashtra) Limited (“**IBEML**”) against the Maharashtra State Electricity Distribution Company Limited (“**MSEDCL**”) and Maharashtra State Electricity Transmission Corporation Limited (“**MSETCL**”) before the Maharashtra Electricity Regulatory Commission (“**MERC**”) with respect to the termination of the Biomass Energy Purchase Agreement dated October 18, 2006 executed between IBEML and MSEDCL (“**Agreement**”). As per the terms of the Agreement, IBEML was required to furnish a bank guarantee to secure the penalty amount for non compliance of use of fossil fuel, as a condition precedent. As per Clause 9 of Article 3 of the Agreement, the Agreement would stand terminated if any of the condition precedents are not fulfilled within twelve months from the date of signing the Agreement. The contention of IBEML is that as a result of non-fulfilment of the condition precedent (i.e. not giving bank guarantee), the Agreement stood automatically terminated. And thus upon automatic termination, IBEML had no obligation to supply electricity to MSEDCL. Post termination of the Agreement, IBEML is entitled to supply power generated by it under the open access regulation to any distribution licensee of its choice. MERC has passed an order dated January 08, 2010 stating that as per the terms of the Agreement, MSEDCL has the right to waive the condition precedent and hence the Agreement does not stand automatically terminated. Further, IBEML contends that the action of MSEDCL and MSETCL to compel IBEML to supply power at lower rates was causing IBEML economic hardship, especially with the rising biomass fuel costs. IBEML contended that it was not able to service its loans and therefore intentionally did not fulfil the condition precedent in order to terminate the Agreement. MERC has held that this is not a legally tenable ground for seeking termination and there must be sanctity of contract. IBEML has filed an appeal bearing No. 342/2010 dated February 23, 2010 against the above order before the Appellate Tribunal for Electricity, New Delhi. The Appellate Tribunal for Electricity, New Delhi has allowed the appeal and directed that notices be issued to MSEDCL and MSETCL as regards the appeal as well as the interim application for stay of the operation of the order dated January 08, 2010. The matter is listed for hearing of arguments on July 07, 2010. The matter is pending.

2. *Ind-Barath Energies Limited*

- (a) A writ petition bearing W.P. No. 2456 of 2005 has been filed by Ind-Barath Energies Limited (“**IBEL**”) against the Andhra Pradesh Electricity Regulatory Commission (“**APERC**”) and AP Transco in respect of wheeling charges fixed by APERC in its tariff order dated March 23, 2004 before the High Court of Andhra Pradesh. The High Court of Andhra Pradesh vide its order dated February 14, 2005 granted interim stay of further proceedings in pursuance of the said tariff order and held that wheeling charges continue to be 2%. Against this order, APERC and AP Transco have filed an appeal (CA 5055 of 2003) before the Supreme Court and the matter is pending. This matter is clubbed under Civil Appeal 4569 of 2003. further, IBEL has filed a petition (CMA no. 1094/2002) before the High Court of Andhra Pradesh against APERC in respect of wheeling charges fixed by APERC in its tariff order dated March 23, 2002. The High Court of Andhra Pradesh vide its order dated April 18, 2003 set aside the order passed by the APERC and held that wheeling charges continue to be 2%. Against this order, APERC and AP Transco have filed an appeal (CA 5055 of 2003) before the Supreme Court and the matter is pending. This matter is clubbed under Civil Appeal 4569 of 2003. The matter is pending.
- (b) The Andhra Pradesh Electricity Regulatory Commission (“**APERC**”) has fixed wheeling charges by its tariff orders dated March 23, 2004, March 22, 2005 and March 23, 2006 for the years 2004-05, 2005-06 and 2006 to 2009 respectively. IBEL has filed an appeal no. 178 of 2006 against the Central Power Distribution Company of Andhra Pradesh Limited (“**CPDCL**”) before the Appellate Tribunal for Electricity (“**ATE**”) against the tariff orders. ATE has by its order dated May 08, 2008 set aside the orders of APERC. CPDCL has filed an appeal before the Supreme Court of India and the matter is pending. ATE has by its order dated May 08, 2008 set aside the orders of APERC. CPDCL has filed an appeal before the Supreme Court of India and the matter is pending.

- (c) Central Power Distribution Company of Andhra Pradesh Limited (“**CPDCL**”) demanded Cross Subsidy Surcharge (“**CSS**”) from the scheduled consumers against which the IBEL has filed writ petitions bearing WP No’s 12367, 12368, 12369, 12761, 12762, 12950, 12951, 12952, 12992, 15333, 15343, 15368 of 2006 before the High Court of Andhra Pradesh. The High Court of Andhra Pradesh by its order dated December 07, 2006 has held that the generating companies are exempted from CSS by virtue of the Electricity (Removal of Difficulties) Second Order, 2005. APERC & CPDCL has preferred an appeal against this order before the Supreme Court of India and the matter is pending.
- (d) IBEL has filed an appeal against the Andhra Pradesh Electricity Regulatory Commission (“**APERC**”) orders dated September 21, 2005 and August 29, 2006 determining the basis for cross subsidy surcharge for open access customers for the years 2005-06 and 2006-07 respectively before the Appellate Tribunal for Electricity (“**ATE**”). ATE has by order dated July 05, 2007 allowed the appeals. APERC has filed an appeal before the Supreme Court of India and the matter is pending.
- (e) The Commercial Tax Officer, Srinagar Colony Circle, Hyderabad has passed an order levying penalty of Rs. 1,040,352.00 on IBEL for the assessment year 2002 – 03. IBEL has filed an appeal against the order of the Commercial Tax Officer before the Appellate Deputy Commissioner (CT), Punjagutta Division, Hyderabad, and the same is pending. IBEL had filed an application for stay before the Appellate Deputy Commissioner and Additional Commissioner (CT) (Legal) but the same was rejected by an order dated August 26, 2008. IBEL has then filed a writ petition no. 22719 of 2008 before the High Court of Andhra Pradesh seeking grant of a stay on the collection of the disputed penalty. The High Court of Andhra Pradesh has granted a stay on the recovery of the disputed penalty, subject to certain conditions, by an order dated October 20, 2008. The conditions for stay are that IBEL has to deposit 25% of the disputed penalty, within a period of six weeks from the date of the order. The matter is pending before the Appellate Deputy Commissioner (CT) Punjagutta Division, Hyderabad.

3. *Raghu Rama Renewable Energy Limited*

RRREL has filed an appeal bearing Appeal No. C/772/05-Mum before the Customs, Excise and Service Tax Appellate Tribunal West Zonal Bench, Mumbai against Commissioner of Customs (Appeals) Mumbai Order bearing No. 221/2005 MCH dt.27.05.2005 for demand of duty or penalty seeking recovery of duty. The Customs, Excise and Service Tax Appellate Tribunal West Zonal Bench, Mumbai has passed a stay order dated September 29, 2005 stating that out of the total duty demand of Rs. 8,496,838.00, an amount of Rs. 3,139,000.00 has already been apportioned by the Commissioner of Customs, by way of bank guarantee and security furnished by RRREL. The balance amount of Rs. 5,355, 838.00 and penalty is waived, pending the appeal.

4. *Ind-Barath Power Gencom Limited*

Ind-Barath Power Gencom Limited has filed a petition (D.R.P.No.6 of 2010) before the Tamil Nadu Electricity Regulatory Commission, Chennai against the Tamil Nadu Electricity Board (“**TNEB**”) alleging that the TNEB had continuously failed in making payments to IBPGL for supply of electricity. In this petition, IBPGL has prayed for relief by directing the TNEB to make immediate payments of the outstanding amounts and an interest at the rate of 18% p.a. from the date of invoice until the date of payment. The cumulative payments to be received from the TNEB amount to Rs. 127,472,925.00 for supply of power from September 17, 2009 to January 31, 2010. The TNEB has filed a counter affidavit in this regard before the Tamil Nadu Electricity Regulatory Commission. The matter is pending.

5. *Arkay Energy (Rameswarm) Limited*

AERL has filed a writ petition (W.P. No. 16978 of 2009) before the High Court of Madras, against the Tamil Nadu Electricity Board (“**TNEB**”) praying for termination of the energy wheeling agreement dated July 17, 2008 w.e.f. April 01, 2009, an interim injunction and setting aside and declaring the order of TNEB dated July 31, 2009 as illegal, arbitrary and violative of AERL’s fundamental rights. TNEB has declared AERL as a captive generating plant, whereas the contention of AERL is that under the relevant inter-state open access regulations, AERL cannot be treated as a long term open access customer in the absence of an agreement for a duration of less than five years. Further, AERL contends that it does not meet all the requirements of a captive generating plant as stated under the Government of India notification dated June 08, 2005. Thus, TNEB cannot demand charges that are payable only by captive generating plants under the said energy wheeling agreement. TNEB has filed a counter

affidavit praying that the writ petition filed by AERL is not maintainable both in law and facts and is liable to be dismissed. Further, TNEB has also filed a petition (D.R.P. No. 18 of 2009) before the Tamil Nadu Electricity Regulatory Commission, Chennai (“TNERC”) against AERL demanding compensation from AERL for termination of the energy wheeling agreement. In response to the AERL has filed a counter affidavit praying for dismissal of the petition. The matter is pending.

Against the Subsidiaries

1. *Arkay Energy (Rameswaram) Limited*
 - (a) Sundaram Clayton Limited has filed petitions O.A. No. 324 of 2009 and O.A. No. 325 of 2009 before the High Court of Madras for an interim injunction restraining AERL from supplying 51% of the energy generated by it to any third party other than the captive consumers pending disposal of the arbitration proceedings (Arbitration Case No.1 of 2009). The High Court of Madras has passed an order dated April 29, 2009 granting an interim injunction and ordering continuous power supply to Sundaram Clayton Limited. The said order is also confirmed by the Division Bench, High Court of Madras by order dated November 18, 2009. Sundaram Clayton Limited had filed a statement of claim in Arbitration Case No. 1 of 2009 seeking specific performance of the power supply agreement between AERL and Sundaram Clayton Limited dated May 19, 2005 and damages amounting to Rs. 286,050,814.00. AERL has filed a counter claim contending that it has lost the status of group captive generating plant and hence the power supply agreement is no longer valid and hence no claim is payable. The next hearing of arbitration case is posted for June 15, 2010. Further, Sundaram Clayton Limited has also filed an application (Application No. 6323 of 2009) before the High Court of Madras for attachment before judgment. AERL has filed an appeal before Division Bench of the High Court of Madras in OSA. No. 71/2010 praying that the attachment order be converted into furnishing of bank guarantee. AERL has furnished a bank guarantee in favour of Sundaram Clayton Limited. The matter is pending.
 - (b) India-Japan Lighting Private Limited has filed petitions O.A. No. 627 of 2009 and O.A. No. 628 of 2009 before the High Court of Madras for an interim injunction restraining AERL from supplying 51% of the energy generated by it to any third party other than the captive consumers pending disposal of the arbitration proceedings (Arbitration Case No.3 of 2009). The High Court of Madras has passed an order dated November 27, 2009 granting an interim injunction and ordering continuous power supply to India-Japan Lighting Private Limited. India-Japan Lighting Private Limited had filed a statement of claim in Arbitration Case No. 3 of 2009 seeking specific performance of the power supply agreement between AERL and India-Japan Lighting Private Limited dated April 01, 2005, an interim award of Rs.42,64,360.00 and damages amounting to Rs. 146,484,949.00. AERL has filed a counter claim contending that it has lost the status of group captive generating plant and hence the power supply agreement is no longer valid and hence no claim is payable. The next hearing of arbitration case is posted for June 15, 2010. The matter is pending.
 - (c) Sundaram Industries Limited has filed petitions O.A. No. 551 of 2009 and O.A. No. 552 of 2009 before the High Court of Madras for an interim injunction restraining AERL from supplying 51% of the energy generated by it to any third party other than the captive consumers pending disposal of the arbitration proceedings (Arbitration Case No.5 of 2009). The High Court of Madras has passed an order dated November 27, 2009 granting an interim injunction and ordering continuous power supply to Sundaram Industries Limited. Sundaram Industries Limited had filed a statement of claim in Arbitration Case No. 5 of 2009 seeking specific performance of the power supply agreement between AERL and Sundaram Industries Limited dated March 10, 2005 and damages amounting to Rs. 90,347,206.00. AERL has filed a counter claim contending that it has lost the status of group captive generating plant and hence the power supply agreement is no longer valid and hence no claim is payable. The next hearing of arbitration case is posted for June 15, 2010. The matter is pending.

- (d) Lucas TVS Limited has filed petitions O.A. No. 573 of 2009 and O.A. No. 574 of 2009 before the High Court of Madras for an interim injunction restraining AERL from supplying 51% of the energy generated by it to any third party other than the captive consumers pending disposal of the arbitration proceedings (Arbitration Case No.6 of 2009). The High Court of Madras has passed an order dated November 27, 2009 granting an interim injunction and ordering continuous power supply to Lucas TVS Limited. Lucas TVS Limited had filed a statement of claim in Arbitration Case No. 6 of 2009 seeking specific performance of the power supply agreement between AERL and Lucas TVS Limited dated March 30, 2005 and damages amounting to Rs. 151,653,377. AERL has filed a counter claim contending that it has lost the status of group captive generating plant and hence the power supply agreement is no longer valid and hence no claim is payable. The next hearing of arbitration case is posted for June 15, 2010. Further, Lucas TVS Limited has also filed an application (Application No. 2101 of 2010) before the High Court of Madras for attachment before judgment. The matter is pending.
- (e) Sundaram Brake Linings Limited has filed petitions O.A. No. 374 of 2009 and O.A. No. 375 of 2009 before the High Court of Madras for an interim injunction restraining AERL from supplying 51% of the energy generated by it to any third party other than the captive consumers pending disposal of the arbitration proceedings (Arbitration Case No.7 of 2009). The High Court of Madras has passed an order dated April 29, 2009 granting an interim injunction and ordering continuous power supply to Sundaram Brake Linings Limited. The said order is also confirmed by the Division Bench, High Court of Madras by order dated November 18, 2009. Sundaram Brake Linings Limited had filed a statement of claim in Arbitration Case No. 7 of 2009 seeking specific performance of the power supply agreement between AERL and Sundaram Brake Linings Limited dated March 30, 2005 and damages amounting to Rs. 53,543,788.00 for non supply of power or alternatively, for damages of Rs. 153,548,708.00 on account of short supply of power to Sundaram Brake Linings Limited. AERL has filed a counter claim contending that it has lost the status of group captive generating plant and hence the power supply agreement is no longer valid and hence no claim is payable. The next hearing of arbitration case is posted for June 15, 2010. Further, Sundaram Brake Linings Limited has also filed an application (Application No. 642 of 2010) before the High Court of Madras for attachment before judgment. Sundaram Brake Linings Limited has also filed a writ petition (W.P. No. 4798 of 2010) before the High Court of Madras praying for interim injunction restraining TNEB from evacuating any power generated by AERL. The matter is pending.
- (f) Thiagarajar Mills Private Limited has filed petitions O.A. No. 418 of 2009 and O.A. No. 419 of 2009 before the High Court of Madras for an interim injunction restraining AERL from supplying 51% of the energy generated by it to any third party other than the captive consumers pending disposal of the arbitration proceedings (Arbitration Case No.8 of 2009). The High Court of Madras has passed an order dated April 29, 2009 granting an interim injunction and ordering continuous power supply to Thiagarajar Mills Private Limited. The said order is also confirmed by the Division Bench, High Court of Madras by order dated November 18, 2009. Thiagarajar Mills Private Limited had filed a statement of claim in Arbitration Case No. 8 of 2009 seeking specific performance of the power supply agreement between AERL and Thiagarajar Mills Private Limited dated August 05, 2005 and damages amounting to Rs. 120,164,518.00. AERL has filed a counter claim contending that it has lost the status of group captive generating plant and hence the power supply agreement is no longer valid and hence no claim is payable. The next hearing of arbitration case is posted for June 15, 2010. Further, Thiagarajar Mills Private Limited has also filed an application (Application No. 645 of 2010) before the High Court of Madras for attachment before judgment. Thiagarajar Mills Private Limited has also filed a writ petition (W.P. No. 4798 of 2010) before the High Court of Madras praying for interim injunction restraining TNEB from evacuating any power generated by AERL. The matter is pending.
- (g) Madura Coats Private Limited has filed petitions O.A. No. 356 of 2009 and O.A. No. 357 of 2009 before the High Court of Madras for an interim injunction restraining AERL from supplying 51% of the energy generated by it to any third party other than the captive consumers pending disposal of the arbitration proceedings (Arbitration Case No.9 of 2009). The High Court of Madras has passed an order dated April 29, 2009 granting an interim injunction and ordering continuous power supply to Madura Coats Private Limited. The said order is also confirmed by the Division Bench, High Court of Madras by order dated November 18, 2009 and also by the Supreme Court by order (SLP No. 32886-32890/2009) dated December 17, 2009. Madura Coats Private Limited had filed a statement of claim in Arbitration Case No. 9 of 2009 seeking specific performance of the power supply agreement

between AERL and Madura Coats Private Limited dated January 24, 2005 and damages amounting to Rs. 979,421,804.00. AERL has filed a counter claim contending that it has lost the status of group captive generating plant and hence the power supply agreement is no longer valid and hence no claim is payable. The next hearing of arbitration case is posted for June 15, 2010. Further, Madura Coats Private Limited has also filed an application (Application No. 6322 of 2009) before the Arbitral Tribunal for attachment before judgment. AERL has filed an appeal before Division Bench of the High Court of Madras in OSA. No. 450 of 2009 praying that the attachment order be converted into furnishing of bank guarantee. AERL filed SLP.No.5222/2010 before the Supreme Court, against the order of the Division Bench of the High Court of Madras (OSA.450/2009). The Supreme Court dismissed the same and extended two weeks time for furnishing Bank Guarantee. AERL has furnished a bank guarantee in favour of Madura Coats Private Limited. Madura Coats Private Limited has also filed a writ petition (W.P. No. 4799 of 2010) before the High Court of Madras praying for interim injunction restraining TNEB from evacuating any power generated by AERL. The matter is pending.

- (h) Sundaram Fasteners Limited has filed petition O.A. No. 902 of 2009 before the High Court of Madras for an interim injunction restraining AERL from supplying 51% of the energy generated by it to any third party other than the captive consumers pending disposal of the arbitration proceedings (Arbitration Case No.10 of 2009). The High Court of Madras has passed an order dated November 30, 2009 granting an interim injunction and ordering continuous power supply to Sundaram Fasteners Limited. Sundaram Fasteners Limited had filed a statement of claim in Arbitration Case No. 10 of 2009 seeking specific performance of the power supply agreement between AERL and Sundaram Fasteners Limited dated March 09, 2005 and damages amounting to Rs. 62,68,000.00 on account of short supply of power to Sundaram Fasteners Limited, Rs. 4,963,000.00 as compensation for non supply of power, Rs. 14,036,000.00 as damages, Rs. 1,385,000.00 for damages incurred by Sundaram Fasteners Limited up to September 2009, Rs. 4,060,000.00 as loss incurred by Sundaram Fasteners Limited on account of peak hour charges, Rs. 5,254,000.00 towards deemed demand, Rs. 93,15,000.00 towards expected loss on account of deemed demand benefit from October 2009 to February 2012, Rs. 4,212,277 towards penalty charges paid to TNEB by Sundaram Fasteners Limited, Rs.222,539.36 towards extra levy paid by Sundaram Fasteners Limited to TNEB for exceeding quota, Rs. 32,981,364.56 towards sourcing power from a third party, Rs. 8,343,092.00 towards cost of generating power through a diesel genset, Rs. 118,175,000.00 towards additional cost expected for purchase of power from third party for the period from October 2009 to February 2012, and Rs.30,972,000.00 towards additional cost expected from generating power through the diesel genset for the period from October 2009 to February 2012. AERL has filed a counter claim contending that it has lost the status of group captive generating plant and hence the power supply agreement is no longer valid and hence no claim is payable. The next hearing of arbitration case is posted for June 15, 2010. Further, Sundaram Fasteners Limited has also filed an application (Application No. 4835 of 2009) before the High Court of Madras for attachment before judgment. AERL has filed an appeal before Division Bench of the High Court of Madras in OSA. No. 2 of 2010 praying that the attachment order be converted into furnishing of bank guarantee. AERL has furnished a bank guarantee in favour of Sundaram Fasteners Limited. The matter is pending.
- (i) Tractors and Farm Equipments Limited has filed petitions O.A. No. 435 of 2009 and O.A. No. 434 of 2009 before the High Court of Madras for an interim injunction restraining AERL from supplying 51% of the energy generated by it to any third party other than the captive consumers pending disposal of the arbitration proceedings (Arbitration Case No.1 of 2010). The High Court of Madras has passed an order dated April 29, 2009 granting an interim injunction and ordering continuous power supply to Tractors and Farm Equipments Limited. Tractors and Farm Equipments Limited had filed a statement of claim in Arbitration Case No. 1 of 2010 seeking specific performance of the power supply agreement between AERL and Tractors and Farm Equipments Limited dated March 30, 2005 and damages amounting to Rs. 4,58,16,405.76 on account of short supply of power for the period March 2006 to March 2009, claim of Rs.17,50,00,000.00 towards non- supply of power for the period April 2009 to February 2010, claim of Rs.14,93,081.00 towards penalty charges paid to TNEB. The matter is pending.

- (j) MRF Limited has filed petitions O.A. No. 475 of 2009 before the High Court of Madras for an interim injunction restraining AERL from supplying 51% of the energy generated by it to any third party other than the captive consumers pending disposal of the arbitration proceedings. The High Court of Madras has passed an order dated April 29, 2009 granting an interim injunction and ordering continuous power supply to MRF Limited. AERL filed appeal (OSA.No.364 of 2009) against the order of the High Court of Madras dated April 29, 2009). The said order is also confirmed by the Division Bench of the High Court of Madras by order dated November 18, 2009. The matter is pending.

Group Companies

By the Group Companies

1. *Sriba Agro Limited*

- (a) The Commissioner of Customs and Central Excise, Guntur (“**Commissioner**”) has levied a demand of Rs. 13,852,689.00 on Sriba Agro Limited for payment on excise duty. The Commissioner issued three show cause notices to Sriba Agro Limited in this regard, which were adjudicated by the Additional Commissioner of Central Excise, Guntur. The Additional Commissioner of Central Excise by order dated July 26, 2007 directed Sriba Agro Limited to pay excise duty of Rs. 13,852,689.00 and a penalty of Rs. 1,000,000.00. Sriba Agro Limited filed an appeal before the Commissioner (Appeals) against the order of the Additional Commissioner of Central Excise. The Commissioner (Appeals) by order dated March 12, 2008 upheld the order passed by the Additional Commissioner of Central Excise. Sriba Agro Limited then filed an appeal before the Customs Excise and Service Tax Appellate Tribunal, Bangalore (“**Tribunal**”). The Tribunal on February 25, 2009 passed an order (order no. 176 of 2009) allowing the appeal filed by Sriba Agro Limited and held that two views could be possibly taken under the notification under which the excise duty was payable. The Tribunal further held that when the notification itself gives two options, the view which is more beneficial to the assessee must be applied and the choice of the appellant to choose an option more beneficial to him cannot be altered with. The Commissioner has filed an appeal before the High Court of Andhra Pradesh against the order of the Tribunal. The High Court of Andhra Pradesh has on March 23, 2010 granted an interim stay in this matter. The matter is pending.
- (b) Sriba Agro Limited has filed a petition (O.S. No. 763 of 2001) against M/s Agro Agencies, represented by its proprietor R. Venkateswara Rao, before the XI Additional Senior Civil Judge, City Civil Court Hyderabad, for recovery of Rs. 166,139.00 against supply of sunflower oil. M/s Agro Agencies had purchased sunflower oil from Sriba Agro Limited in 1997 and issued a cheque bearing no. 030937 dated September 23, 1997, for an amount of Rs. 149,500.00. The said cheque was dishonored on its presentation before the State Bank of Hyderabad, AMDC Branch. The XI Additional Senior Civil Judge, City Civil Court Hyderabad dismissed the suit by order dated September 01, 2005. Sriba Agro Limited filed an appeal (A.S. No. 646 of 2005) before the III Additional Chief Judge, City Civil Court, Hyderabad. The III Additional Chief Judge, City Civil Court, Hyderabad passed an order on October 22, 2007 against M/s Agro Agencies. M/s Agro Agencies then filed an appeal (S.A.M.P 293 of 2008 in S.A. 114 of 2008) before the High Court of Andhra Pradesh praying for dismissal of the suit and contending that the suit is barred by limitation and there was no valid acknowledgement of debt. The High Court of Andhra Pradesh has by an order dated February 15, 2008 ordered an interim suspension of the case. The matter is pending.
- (c) The Government of Andhra Pradesh, Department of Agriculture and Horticulture, had allotted some area of land to Sriba Agro Limited as a factory zone for setting up an oil palm processing factory in Prakasam district. Subsequently, the Commissioner, Department of Agriculture and Horticulture requested the Government to cancel the factory zone allotment to Sriba Agro Limited as it had failed to fulfil certain conditions as per the memorandum of understanding. The Government then by letter (Memo no. 13647/Horti/A2/2003-2) dated March 29, 2004 cancelled the factory zone allotment made to Sriba Agro Limited and forfeited the bank guarantee of Rs. 500,000.00. Sriba Agro Limited has filed a writ petition (WP. No. 7053 of 2004) against the Government of Andhra Pradesh and the Commissioner, Department of Agriculture and Horticulture before the High Court of Andhra Pradesh. The High Court of Andhra Pradesh on April 13, 2004 granted an interim order directing the Government of Andhra Pradesh not to encash the bank guarantee furnished by Sriba Agro Limited. The Government of Andhra Pradesh and the Commissioner, Department of Agriculture and

Horticulture filed an application (WPMP No. 9166 of 2004 and WVMP No. 2672 of 2004) before the High Court of Andhra Pradesh for vacating the interim order granted earlier. The High Court of Andhra Pradesh has on March 01, 2005 passed an order refusing to vacate the interim order granted by it earlier. The matter is pending.

2. *NATL Power Limited*

- (a) A writ petition bearing W.P. No. 2398 of 2005 has been filed by NATL Power Limited against the Andhra Pradesh Electricity Regulatory Commission (“**APERC**”) and AP Transco in respect of wheeling charges fixed by APERC in its tariff order dated March 23, 2004 before the High Court of Andhra Pradesh. The High Court of Andhra Pradesh vide its order dated February 14, 2005 granted interim stay of further proceedings in pursuance of the said tariff order and held that wheeling charges continue to be 2%. Against this order, APERC and AP Transco have filed an appeal (CA 5062 of 2003) before the Supreme Court and the matter is pending. This matter is clubbed under Civil Appeal 4569 of 2003. Further, NATL Power Limited has filed a petition (CMA no. 1087/2002) before the High Court of Andhra Pradesh against APERC in respect of wheeling charges fixed by APERC in its tariff order dated March 23, 2002. The High Court of Andhra Pradesh vide its order dated April 18, 2003 set aside the order passed by the APERC and held that wheeling charges continue to be 2%. Against this order, APERC and AP Transco have filed an appeal (CA 5062 of 2003) before the Supreme Court and the matter is pending. This matter is clubbed under Civil Appeal 4569 of 2003. The matter is pending.
- (b) The Andhra Pradesh Electricity Regulatory Commission (“**APERC**”) has fixed wheeling charges by its tariff orders dated March 23, 2004, March 22, 2005 and March 23, 2006 for the years 2004-05, 2005-06 and 2006 to 2009 respectively. NATL Power Limited has filed an appeal no. 178 of 2006 against the Central Power Distribution Company of Andhra Pradesh Limited (“**CPDCL**”) before the Appellate Tribunal for Electricity (“**ATE**”) against the tariff orders. ATE has by its order dated May 08, 2008 set aside the orders of APERC. CPDCL has filed an appeal before the Supreme Court of India and the matter is pending. ATE has by its order dated May 08, 2008 set aside the orders of APERC. CPDCL has filed an appeal before the Supreme Court of India. This matter is clubbed under Civil Appeal 4569 of 2003. The matter is pending.
- (c) Central Power Distribution Company of Andhra Pradesh Limited (“**CPDCL**”) demanded Cross Subsidy Surcharge (“**CSS**”) from the scheduled consumers against which the NATL Power Limited alongwith other consumers, has filed writ petitions bearing WP No’s 12367, 12368, 12369, 12761, 12762, 12950, 12951, 12952, 12992, 15333, 15343, 15368 of 2006 before the High Court of Andhra Pradesh. The High Court of Andhra Pradesh by its order dated December 07, 2006 has held that the generating companies are exempted from CSS by virtue of the Electricity (Removal of Difficulties) Second Order, 2005. APERC and CPDCL has preferred an appeal against this order before the Supreme Court of India tagged under SLP(Civil) 14824 of 2008 and the matter is pending.
- (d) NATL Power Limited has filed an appeal No 172 of 2005 against the Andhra Pradesh Electricity Regulatory Commission (“**APERC**”) orders dated September 21, 2005 and August 29, 2006 determining the basis for cross subsidy surcharge for open access customers for the years 2005-06 and 2006-07 respectively before the Appellate Tribunal for Electricity (“**ATE**”). ATE has by order dated July 05, 2007 allowed the appeals. APERC has filed an appeal before the Supreme Court of India and the matter is pending and clubbed under Civil Appeal nos. 4936 – 4941 of 2007.

Against the Group Companies

1. Ind-Barath Commodities Limited

A contempt petition (Contempt Petition (Civil) no 134 of 2009) has been filed by M/s Vijay Industries before the Supreme Court against D. Madhusudhana Reddy, as managing director of Ind-Barath Commodities Limited, for wilfully violating the order dated December 17, 2008 passed in Civil Appeal No. 7352 of 2008. M/s Vijay Industries had supplied castor oil to Ind-Barath Commodities Limited for which it demanded a sum of Rs. 6,515,947.00 (inclusive of interest at the rate of 2%) from Ind-Barath Commodities Limited. Despite several notices, Ind-Barath Commodities Limited did not pay the disputed sum. M/s Vijay Industries filed a Company Petition No. 32 of 2004 for winding up before the High Court of Andhra Pradesh. The High Court of Andhra Pradesh passed an order on November 10, 2004 and held that a prima facie case had been made by M/s Vijay Industries. Ind-Barath Commodities Limited filed an appeal (O.S.A No. 64 of 2004) before the Division Bench of the High Court of Andhra Pradesh. The Division Bench of the High Court of Andhra Pradesh set aside the orders passed in Company Petition No. 32 of 2004. M/s Vijay Industries then filed an S.L.P No. 15672 of 2005 (which was renumbered as Civil Appeal No. 7352 of 2008) before the Supreme Court. The Supreme Court by order passed on December 17, 2008 set aside the order of the Division Bench of the High Court of Andhra Pradesh and directed Ind-Barath Commodities Limited to pay a simple interest on the admitted sum at the rate of 12% per annum, within 8 weeks, from the date the amount became due till the date it is paid. The matter is pending.

Amount Owed To Small Scale Undertakings/Creditors

Our Company does not owe any amount to any micro, small and medium enterprises or other creditors which is outstanding for more than 30 days except in the ordinary course of business.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals/licenses listed below, our Company can undertake this Issue and our current business activities and no further major approvals/licenses 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. It must be distinctly understood that, in granting these approvals, the Government of India, the Reserve Bank of India or any other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which we operate, please refer to the section titled “Regulations and Policies in India” on page 201.

Approvals related to the Issue

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on May 06, 2010, authorised the Fresh Issue subject to the approval of the shareholders of our Company under Section 81(1A) of the Companies Act and approvals by such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to a resolution dated May 10, 2010 under Section 81(1A) of the Companies Act, authorised the Fresh Issue.
3. The IPO Committee, pursuant to its resolution dated June 21, 2010 has approved and authorised this Draft Red Herring Prospectus.
4. Our Company has obtained in-principle listing approvals from the BSE and the NSE dated • and •, respectively.
5. CVCIGP II Client Rosehill Limited and CVCIGP II Employee Rosehill Limited have obtained approval for the Offer for Sale pursuant to their board resolutions each dated May 24, 2010. Gautam Nayak and Keshav Bhujle (as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust have approved the Offer for Sale by letter dated June 17, 2010. Sriba Seabase Private Limited has obtained approval for the Offer for Sale pursuant to board resolution dated May 31, 2010 and UTI has obtained approval for the Offer for Sale pursuant to resolution of the board dated December 20, 2004 and letter dated June 11, 2010.

Approvals applied for in relation to the Issue

Pursuant to a letter dated •, 2010, we have applied to the RBI for its approval for the sale of the Equity Shares by the Selling Shareholders as a part of the Issue.

Approvals related to our Company

1. Certificate of incorporation dated February 17, 1995 for incorporation of our Company as Kanumuri Holdings Private Limited issued by the Registrar of Companies, Andhra Pradesh.
2. Fresh certificate of incorporation dated October 18, 2006 consequent upon change of name of our Company to Ind-Barath Power Infra Private Limited issued by the Registrar of Companies, Andhra Pradesh.
3. Fresh certificate of incorporation dated May 29, 2008 consequent upon change of name on conversion to a public limited company with the name Ind-Barath Power Infra Limited issued by the Registrar of Companies, Andhra Pradesh.
4. Letter (No. FC II: 108 (2007)) dated May 31, 2007 issued by the FIPB classifying the Company as an “operating cum holding company” in the field of development, implementation and operation/maintenance of power plants and permitting the Company to receive foreign equity participation to the extent of 31% of the total issued, subscribed and paid up share capital of the Company.

5. Letter dated August 31, 2007 issued by the FIPB as an amendment to the approval letter (No. FC II: 108 (2007)) dated May 31, 2007 permitting the Company to receive foreign equity participation to the extent of 43% of the total issued, subscribed and paid up share capital of the Company.
6. Corporate Identification Number: U65993AP1995PLC019471
7. Permanent Account Number: AABCK3883B
8. Tax Deduction Account Number (“TAN”): HYDK01865D
9. Our Company will apply for other statutory approvals as and when required.

Approvals/licenses obtained by operational subsidiaries of our Company

Incorporation Details

Ind-Barath Power Gencom Limited

1. Certificate of Incorporation dated July 25, 2005 issued by the Registrar of Companies, Andhra Pradesh.
2. Certificate of Commencement of Business dated August 09, 2005 issued by the Registrar of Companies, Andhra Pradesh.
3. Corporate Identification Number: U40109AP2005PLC46960

Arkay Energy (Rameswarm) Limited

1. Certificate of Incorporation dated December 01, 2004 issued by the Registrar of Companies, Andhra Pradesh.
2. Certificate of Commencement of Business dated December 01, 2004 issued by the Registrar of Companies, Andhra Pradesh.
3. Corporate Identification Number: U40104AP2004PLC044741

Ind-Barath Energies (Thoothukkudi) Limited

1. Certificate of Incorporation dated August 21, 2003 issued by the Registrar of Companies, Andhra Pradesh.
2. Certificate of Commencement of Business dated August 28, 2003 issued by the Registrar of Companies, Andhra Pradesh.
3. Corporate Identification Number: U40109AP2003PLC41558

Ind-Barath Energies (Maharashtra) Limited

1. Certificate of Incorporation dated October 13, 2005 issued by the Registrar of Companies, Andhra Pradesh.
2. Certificate of Commencement of Business dated November 14, 2005 issued by the Registrar of Companies, Andhra Pradesh.
3. Corporate Identification Number: U40100AP2005PLC052595
4. Certificate of Registration of Company Law Board dated February 02, 2007 issued by the Registrar of Companies, Andhra Pradesh, recording the change in registered office address from the state of Maharashtra to Andhra Pradesh.

Raghu Rama Renewable Energy Limited

1. Certificate of Incorporation dated June 12, 2001 issued by the Registrar of Companies, Andhra Pradesh.
2. Certificate of Commencement of Business dated June 15, 2001 issued by the Registrar of Companies, Andhra Pradesh.
3. Corporate Identification Number: U40109AP2001PLC38888

Ind-Barath Energies Limited

1. Certificate of Incorporation dated August 13, 1998 issued by the Registrar of Companies, Andhra Pradesh.
2. Certificate of Commencement of Business dated August 21, 1998 issued by the Registrar of Companies, Andhra Pradesh.
3. Corporate Identification Number: U40109AP1998PLC029943

Dharmshala Hydro Power Limited

1. Certificate of Incorporation dated August 09, 2000 issued by the Registrar of Companies, Andhra Pradesh.
2. Certificate of Commencement of Business dated August 14, 2000 issued by the Registrar of Companies, Andhra Pradesh.
3. Corporate Identification Number: U40109AP2000PLC035075

Ind-Barath Thermal Power Limited

1. Certificate of Incorporation dated January 03, 2007 issued by the Registrar of Companies, Andhra Pradesh.
2. Certificate of Commencement of Business dated January 11, 2007 issued by the Registrar of Companies, Andhra Pradesh.
3. Fresh Certificate of Incorporation dated December 16, 2009 issued by the Registrar of Companies, Andhra Pradesh pursuant to change in name from Ind-Barath Power (Karwar) Limited to Ind-Barath Thermal Power Limited.
4. Corporate Identification Number: U40101AP2007PLC052232

Ind-Barath Energy (Utkal) Limited

1. Certificate of Incorporation dated April 11, 2008 issued by the Registrar of Companies, Andhra Pradesh.
2. Certificate of Commencement of Business dated May 01, 2008 issued by the Registrar of Companies, Andhra Pradesh.
3. Corporate Identification Number: U40105AP2008PLC05638

Ind-Barath (Energies) Chattisgarh Limited

1. Certificate of Incorporation dated July 28, 2008 issued by the Registrar of Companies, Andhra Pradesh.
2. Certificate of Commencement of Business dated August 14, 2008 issued by the Registrar of Companies, Andhra Pradesh.
3. Corporate Identification Number: U40101AP2008PLC06033

Ind-Barath Power (Madras) Limited

1. Certificate of Incorporation dated April 26, 2006 for incorporation under the name “Ind-Barath Hydel Energy Limited” issued by the Registrar of Companies, Andhra Pradesh.
2. Certificate of Commencement of Business dated September 02, 2006 issued by the Registrar of Companies, Andhra Pradesh.
3. Fresh certificate of incorporation dated October 22, 2007 consequent upon change of name Ind-Barath Power (Madras) Limited issued by the Registrar of Companies, Andhra Pradesh.
4. Corporate Identification Number: U40101AP2006PLC050016

PT Indbharath Energy

1. Deed of Incorporation dated October 29, 2007 issued by the Notary, Dewantari Handayani, SH, MPA, Ministry of Justice and Human Rights, Republic of Indonesia.

Project Specific Approvals

We are required to obtain certain approvals from the concerned Central or State government departments and other authorities for setting up and operating our projects. Some of these include:

- Approvals from various departments of the Government of India depending upon the nature of the project. For example, approval from the Ministry of Coal related to development of captive coal block, environmental approvals from the Ministry of Environment and Forests, and chimney height approvals from the Ministry of Defence and Ministry of Civil Aviation;
- Approvals such as consents to establish and operate a project, environmental clearances and authorisations to draw water, from concerned departments of state governments;
- Approvals from Ministry of Power to obtain benefits associated with mega power project status, depending upon the nature and size of the project; and
- Any other approvals that may be required by local authorities on a case to case basis.

We apply for approvals, licenses and registrations at the appropriate stages of development of each project. We have listed below key approvals that have been obtained or applied for by us along with certain significant approvals that we have identified at this time and that will need to be applied for on a project-by-project basis. The failure to obtain these approvals can result in delays or prevent a project from being commissioned. See “Risk Factors” on page 13.

Our Operational Power Projects

Ind-Barath Power Gencom Limited – 2X63 MW thermal project at Pudurpandiapuram, Ottapidaram Taluk, Thoothukudi District in Tamil Nadu, India.

Approvals received

1. No Objection Certificate dated September 14, 2006 from the Village Panchayat President for setting up 189 MW coal based power project at Pudurpandiapuram, Ottapidaram Taluk, Thoothukudi District, Tamil Nadu.
2. Letter (Number AAI/20012/1033/2006-ARI (NOC)) dated January 17, 2007 issued by the Airport Authority of India, granting its no objection to the construction of a chimney by IBPGL of height 129.20 meters above ground level and 141.2 meters above sea level.
3. Approval dated June 12, 2009 from the Inspector of Factories for approval of drawings.
4. Letter (Number Tech.I/771001/7G&1285M/2008 dated February 27, 2008 issued by the Public Works Department, Directorate of Boilers, Chennai granting permission to use the new boiler bearing number 771001 from the date of the permit.
5. Approval dated January 29, 2010 from the Government of India, Ministry of Coal, for 30% of 189 MW i.e. 56.70 MW (capacity of units 3 x 63 MW each) in accordance with the New Coal Distribution Policy.
6. Factories License (Number TN3189) issued by the Deputy Chief Inspector of Factories for establishment of factory at Thoothukudi District. The license is valid till December 31, 2010.
7. Consent Letter (Number TUT 2396/CEIG/D5/2009) dated May 27, 2009 issued by the Government of Tamil Nadu, Electrical Inspectorate whereby under Rule 63 of the Indian Electricity Rules, 1956 for electrical inspections approved by the electrical inspectorate.
8. Consent (Number I- 13011/34/2006.IA-II(T)) dated March 14, 2007 issued by the Ministry of Environment and Forests for the grant of environmental clearance under the provisions of the EIA clearance under the provisions of the EIA Notification, 1994 to set up a 2 x 63 MW thermal power project using coal.
9. Consent (Number 3893) dated July 12, 2007 issued by the Tamil Nadu Pollution Control Board to establish or take steps to establish the industry under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981.

Approvals applied for

10. Application for renewal of Consent (Number 17019) dated May 04, 2009 from the Tamil Nadu Pollution Control Board to operate its industrial plant in the air pollution control area notified by the Government of Tamil Nadu, and to continue to make existing discharge emissions from stacks or chimneys under the Air Act.

Arkay Energy (Rameswaram) Limited - 95.3 MW gas based project at Valuthur village, Ramnathpuram District in Tamil Nadu, India

Approvals received

1. Factories License (Number 25258) dated May 25, 2006 issued by Deputy Chief Inspector of Factories for establishment of factory at Ramnathpuram District. The license is valid till December 31, 2010.
2. Letter (Number J – 13011/5/2005.IA-II (T)) dated December 20, 2005 issued by the MoEF granting environmental clearance for the augmentation of existing power generation capacity to 67.11 MW by installing an additional unit in the gas based combined cycle thermal power plant.

3. Letter (Number J – 13012/192/2007-IA.II (T)) dated December 31, 2007 issued by the MoEF granting environmental clearance for the augmentation of existing power generation capacity to 94.8 MW by installing an additional unit in the gas based combined cycle thermal power plant.
4. Provisional Order (Number F64/BC/2009 - 2010) dated February 19, 2010 issued by the Director of Boilers, Tamil Nadu (valid from February 19, 2010 to August 18, 2010) granted in Form V under Section 9 of the Indian Boilers Act, in respect of boiler Number BT 473.
5. Provisional Order (Number S17/DB/09 10) dated February 19, 2010 issued by the Director of Boilers, Tamil Nadu (valid from February 19, 2010 to August 18, 2010) granted in Form V under Section 9 of the Indian Boilers Act, 1923, in respect of boiler Number BT 474.
6. Provisional Order (Number F66/BC/2009 - 2010) dated February 19, 2010 issued by the Director of Boilers, Tamil Nadu (valid from February 19, 2010 to August 18, 2010) granted in Form V under Section 9 of the Indian Boilers Act, 1923, in respect of boiler Number BT 475.
7. Provisional Order (Number F67/BC/2009 - 2010) dated February 19, 2010 issued by the Director of Boilers, Tamil Nadu (valid from February 19, 2010 to August 18, 2010) granted in Form V under Section 9 of the Indian Boilers Act, 1923, in respect of boiler Number BT 476.
8. Provisional Order (Number F58/BC/2009 - 2010) dated February 19, 2010 issued by the Director of Boilers, Tamil Nadu (valid from February 19, 2010 to August 18, 2010) granted in Form V under Section 9 of the Indian Boilers Act, 1923, in respect of boiler Number BT 467.
9. Provisional Order (Number F61/BC/2009 - 2010) dated February 19, 2010 issued by the Director of Boilers, Tamil Nadu (valid from February 19, 2010 to August 18, 2010) granted in Form V under Section 9 of the Indian Boilers Act, 1923, in respect of boiler Number BT 468.
10. Provisional Order (Number F60/BC/2009 - 2010) dated February 19, 2010 issued by the Director of Boilers, Tamil Nadu (valid from February 19, 2010 to August 18, 2010) granted in Form V under Section 9 of the Indian Boilers Act, 1923, in respect of boiler Number BT 469.
11. Provisional Order (Number F62/BC/2009 - 2010) dated February 19, 2010 issued by the Director of Boilers, Tamil Nadu (valid from February 19, 2010 to August 18, 2010) granted in Form V under Section 9 of the Indian Boilers Act, 1923, in respect of boiler Number BT 470.
12. Provisional Order (Number F63/BC/2009 - 2010) dated February 19, 2010 issued by the Director of Boilers, Tamil Nadu (valid from February 19, 2010 to August 18, 2010) granted in Form V under Section 9 of the Indian Boilers Act, 1923, in respect of boiler Number BT 471.
13. Provisional Order (Number S15/DB/09 10) dated February 19, 2010 issued by the Director of Boilers, Tamil Nadu (valid from February 19, 2010 to August 18, 2010) granted in Form V under Section 9 of the Indian Boilers Act, 1923, in respect of boiler Number BT 472.
14. Transfer Certificate (TIN: 33581522527) dated July 30, 2009, issued under the Tamil Nadu Value Added Tax Act 2006, by the Assistant Commissioner, Commercial Taxes Department, Government of Tamil Nadu, that the AERL factory has been transferred from T.Nagar (North) Assessment Circle to the office at its Floor No. 20/29, Chemiers Road.
15. Certificate of Registration (CST Number 1010410) as a dealer dated July 30, 2009 (valid from February 21, 2005 until cancelled), issued in Form B under Section 7(1)/7(2) of the Central Sales Tax Act, 1956 by the Assistant Commissioner, Commercial Tax Officer.
16. Letter (Number CE/Comml/EE.1/AEE.2/D.554/2004) dated September 24, 2004 issued by the TNEB providing their in-principal approval for setting up a 65 MW CPP power project Valanthavarai Village, at Ramnad District.

17. Letter (Number CE/EE1/AEE2/F.Arkey Energy/CR. 112/05) dated March 14, 2005 issued by the TNEB acknowledging the scheme of demerger of business into AERL and informing AERL that the change of name is approved for the implementation of the CPP Project.
18. Letter (Number CE/PPP/SE/PPP/EE/AEE/PPP/F.26 Vol. 8 Arkay/D/6) issued by the TNEB informing results of load flow study on the feasibility of evacuation of additional power of 20 MW and further addition of power of 15 MW.
19. Letter dated September 27, 2004 issued by the Town and Country Planning Department for use for land bearing survey numbers 205 and 207 at Valuthur Village, Ramnad District, Tamil Nadu.
20. Letter (Number 1969/04) received from the Deputy Director, Town Planning, Sivagangai, Tamil Nadu stating that the land on which the plant is situated does not fall under the Town Planning Act, 1971 and hence no consent for the same is required.
21. Letter (Number C 1054/05) dated March 07, 2005 issued by the District Forest Officer, Tamil Nadu Forest Department, granting its no objection for setting up a gas based power project of capacity 75 MW at Valthoor Village, Ramnad District.
22. Letter (Number WL 15/984/2005) dated April 15, 2005 issued by the Chief Wildlife Warden, Tamil Nadu Forest Department, granting its no objection for setting up a gas based power project of capacity 75 MW at Ramnad, since the site is located adjacent to the Gulf of Mannar Biosphere Reserve and could have an adverse impact on the wildlife.
23. Letter (Number AAI/20012/234/2005-ARI (NOC)) dated May 13, 2005 issued by the Assistant General Manager, Airport Authority of India, granting its no objection to the construction of 2 chimneys by Arkay Energy Limited (now known as Penna Electricity Limited).
24. Water supply agreement dated March 29, 2005 was executed between AERL and South Ganga Waters Technologies Private Limited for supply of water up to 44,000 liters / day for their project premises.
25. Consent Order (Number 21834) (Expansion) dated June 01, 2009 (valid until March 31, 2011) issued by the TNPCB for the discharge of sewage and trade effluent under Section 25 of the Water Act.
26. Consent Order (Number 17873) (Expansion) dated June 01, 2009 (valid until March 31, 2011) issued by the TNPCB for the new operation of the plant under Section 21 of the Air Act.

Ind-Barath Energies (Thoothukkudi) Limited - 20 MW bio-mass based project at Eppodumevendram Village, Tuticorin district in Tamil Nadu, India

Approvals received

1. Provisional Order (Number S47/BC/2009 - 2010) dated January 22, 2010 issued by the Director of Boilers, Tamil Nadu (valid from January 22, 2010 to July 27, 2010) granted in Form V under Section 9 of the Indian Boilers Act, 1923, in respect of boiler Number BT 451.
2. License (Number TN2880) issued by the Deputy Chief Inspector of Factories, Thoothukkudi for renewal of factory license. The license is valid until December 31, 2010.
3. Letter issued by the Chief Engineer, Tamil Nadu Electricity Board to certify that 20 MW bio-mass based project at Tuticorin district in Tamil Nadu has been commissioned and successfully synchronised on June 06, 2006.
4. Installation Certificate (Number IV/16/21/2006-Pol.II) dated November 16, 2006 issued by the Office of the Assistant Commissioner of Central Excise, Kovilpatti Division, certifying that the 25/30 MVA, Onan/ Onaf, 11/115 KV Transformer (Number 0530240001) imported by IBETL under project imports registered under the F. Number S37/34/2005-Gr.6 dated August 01, 2005 of Custom House, was received and found installed at IBETL, Eppodumevendram Village, Ottapidaram Taluk, Tuticorin District.

5. Installation Certificate (Number IV/18/21/2006-Pol.II) dated May 24, 2008 issued by the Office of the Assistant Commissioner of Central Excise, Kovilpatti Division, certifying that the 20 MW steam turbine and auxiliaries (Number 8158/2005), air cooled condenser components, and non-conventional energy bio-mass based power plant of 21 MW capacity and 25/30 MVA, Onan/ Onaf 11/115 KV transformer (Number 0530240001) imported by IBETL under project imports registered under F. Number S37/34/2005-Gr.6 dated August 01, 2005 of Custom House, was received and found installed at IBETL, Eppodumevendram Village, Ottapidaram Taluk, Tuticorin District.
6. No Objection Certificate (Number AAI/ 20012/ 233/ 2005 – ARI (NOC)) dated May 12, 2005 issued by the Airports Authority of India for the construction of proposed chimney at location coordinates: 09 00 N, 78 03 E, to the height of 51.70 meters above ground level such that the proposed structure when erected shall not exceed 37 meters (site elevation) + 51.70 meters (height of the structure) i.e. 88.70 meters, valid for a period of 4 years within which IBETL should have completed the construction of the chimney, failing which it will have to obtain a fresh NOC.
7. No Objection Certificate dated October 15, 2004 issued by the Village Panchayat of the Eppodumevendram Village, Ottapidaram Taluk, Thoothukkudi District .
8. Approval (Number 299/04) dated February 04, 2004 issued by the Town and Country Planning Department certifying use of land in Eppodumevendram Village, Ottapidaram Taluk, Thoothukkudi District bearing survey numbers 433, 436 and 437.
9. Approval (Number 185/2006) dated August 14, 2006, granting approval for factory building drawings issued by the Town and Country Planning Department.
10. Consent Letter (Number 3499/BE/TEDA/02) dated July 24, 2003 for setting up of biomass based power projects in Tamil Nadu in compliance with the terms and conditions of the Tamil Nadu Electricity Board.
11. Consent Letter (Number 3499/BE/TEDA/2002) dated July 24, 2003 issued by the Tamil Nadu Energy Development Agency, for establishing a power plant possessing capacity of 7.5 MW to take advantage of operational efficiency and other technical advantages.
12. Consent Letter (Number 3499/BE/TEDA/2002) dated March 03, 2004 issued by the Tamil Nadu Energy Development Agency, for enhancement of capacity from 7.5 MW to 10MW to take advantage of operational efficiency and other technical advantages.
13. Consent Letter (Number 3499/BE/TEDA/2002) dated May 13, 2004 issued by the Tamil Nadu Energy Development Agency for enhancement of capacity from 10 MW to 20 MW to take advantage of operational efficiency and other technical advantages.

Approvals applied for

14. Letter dated April 03, 2010 for making payment of fee for renewal of consents under the Air Act and the Water Act and receipt for payment of fee bearing number 44251 issued by the TNPCB to IBETL.

Ind-Barath Energies (Maharashtra) Limited - 20 MW bio-mass based project at Nanded District in Maharashtra, India

Approvals received

1. Consent to operate (Number BO/PCI-II/EIC, Number AD-2497-09/R/CC-578) dated November 05, 2009 (valid until June 30, 2010) issued by the Maharashtra Pollution Control Board under Section 26 of the Water Act and Section 21 of the Air Act and Rule 5 of the Hazardous Wastes (Management and Handling) Rules, 1989 and the Amendment Rules of 2003.
2. Letter dated March 29, 2006 issued by the Executive Engineer, Nanded Irrigation Division, Water Resources Department, Government of Maharashtra granting IBEML water sourcing with regard to the its power plant, with losses approximating to 1.30 mm.
3. Letter dated January 09, 2009 issued by the Maharashtra State Electricity Transmission Commission Company Limited to certify that 20 MW bio-mass based project at Nanded District in Maharashtra has been commissioned and successfully synchronised on January 08, 2009.
4. Provisional Order (Number SNC/4152) dated December 09, 2009 issued by the Director of Steam Boilers, Government of Maharashtra (valid from December 09, 2009 to June 10, 2010) granted in Form V under Section 9 of the Indian Boilers Act, in respect of boiler Number MR/14286.
5. Approval dated August 12, 2009 issued by the Government of Maharashtra issued under the Factories Act for registration of the factory and for operation of the power plant at Nanded, Kharab Khandgaon, Maharashtra. The approval is valid till December 31, 2010
6. No Objection Certificate dated January 19, 2006 issued by the Karab Khandgaon Gram Panchayat for the construction of a 20 MW bio-mass based power project.

Raghu Rama Renewable Energy Limited - 18 MW bio-mass based project at Paramakudi Village, Ramnad District in Tamil Nadu, India

Approvals received

1. Approval (Number A-24769697/23.10.07) dated November 06, 2007 issued by the Central Government, Ministry of Corporate Affairs under section 297 of the Companies Act authorising RRREL to enter into contracts with our Company for availing of operation and maintenance services for its project and with K. Raghu Ramakrishna Raju for hiring of excavator and goods carriers. Both approvals are valid for a period of three years, from October 10, 2007 to October 09, 2010.
2. No Objection Certificate (Number 3598/2002) dated August 16, 2002 issued by the Tamil Nadu Forest Department for establishment of the 18 MW biomass power plant on land bearing survey nos. 11, 12 and 13 of the Pamboor Village, Paramakudi Taluk, Ramanad District in Tamil Nadu.
3. Letter (Number AAI/20012/569/2002-ARI) dated October 23, 2002 issued by the Airport Authority of India intimating no objection to the construction of the proposed biomass power plant (chimney) by RRREL to a height not exceeding 35.50 metres above ground level so that the top of the proposed structure when erected shall not exceed 82.20 metres. The approval is valid for 4 years from its date of issue.
4. Letter (Number G1/13599/Consult/2003) dated June 18, 2003 issued by the Public Works Department, Chennai permitting RRREL to utilise ground water up to 95,000 liters / day for their project premises.
5. Consent (Number CE/NCES/EE/MCB/AEE.2/F.RRREL/D105/02.dt.27.4.2002) dated April 27, 2002 issued by the TNEB to establish the 18 MW biomass based project at Paramakudi Village, Ramnad District in Tamil Nadu.

6. Letter (Number ACE/Rmd/EA/AE/Dev/F.RRRL/D.No. 403/2004) dated October 05, 2004 from Additional Chief Engineer, Tamil Nadu Electricity Board to certify that 18 MW bio-mass based project at Paramakudi Village, Ramnad District in Tamil Nadu has been successfully synchronised with the grid on October 03, 2004
7. License (Number RM150) issued by the Inspectorate of Factories, Virudhunagar, Tamil Nadu under the Factories Act, 1948 for renewal of factory license. The license is valid until December 31, 2010.
8. Provisional Order (Number F70/BC/2009 - 2010) dated March 09, 2010 issued by the Director of Boilers, Tamil Nadu (valid from March 09, 2010 to September 08, 2010) granted in Form V under Section 9 of the Indian Boilers Act, 1923, in respect of boiler Number BT 452.

Approvals applied for

9. Letter dated April 15, 2010 for renewal of consent and payment of fees, to the Tamil Nadu Pollution Control Board for renewal of consent for its operational industrial plant under section 21 of the Air Act.

Ind-Barath Energies Limited - 6 MW biomass based power project at Dilawarapur Road, Miryalguda Village, Nalgonda District in Andhra Pradesh, India

Approvals received

1. Consent (Number APPCB/PTN/NGL/112/HO/W/2006) dated July 19, 2007 issued by the Andhra Pradesh Pollution Control Board authorising IBEL to operate the industrial plant and to discharge the effluents from the outlets and stating the quantity of emissions permissible per hour. This consent has been renewed by Consent (Number APPCB/PTN/NGL/112/HO/CFO/2010) dated January 07, 2010, which is valid till September 30, 2012.
2. Certificate from the Divisional Engineer (Miryalguda) certifying the IBEL has completed the grid connectivity to 33 KV sub station of APTRANSCO on September 12, 2009 and has started power supply to the grid on October 06, 2000.
3. No Objection Certificate dated January 06, 2000 from the Gram Panchayat, Chintapalli for construction, generation and operation of the 6 MW bio mass based power project at Dilawarapur Road, Miryalguda Village, Nalgonda District in Andhra Pradesh.
4. Permission (Number CE/NSP/OT.5/AE3/5223/17CA) dated February 15, 2002 from the Chief Engineer, Hill Colony to permit IBEL to utilise 0.52 c/s of waste regenerated flows of Wazeerabad Major from Thungapada Bandham.
5. Licence (Number 33802) dated October 25, 2000 from the Inspector of Factories (Nalgonda-II Circle) for use of premises as a factory.
6. Certificate for use of boiler (Number AP – 3585) dated January 28, 2009 authorising IBEL to use the boiler at a maximum pressure of 53.50 kgs. per square cms for the period from January 02, 2009 to January 01, 2010.
7. A biomass power plant agreement dated June 02, 2001 has been executed between the Superintending Engineer, NSLC (O&M) circle (on behalf of the Government of Andhra Pradesh) and IBEL for granting IBEL permission to draw water 0.52 c/s from Wazeerabad Major.

Dharmshala Hydro Power Limited – 4.5 MW hydel project at Kangra District in Himachal Pradesh

Approvals received

1. Consent (Number F-9-1408/2002-ROC/841) dated May 07, 2002 issued by the Ministry of Environment and Forests, Government of India, for diversion of 4.1889 hectare of forest land in favour of DHPL for the construction of 4.5MW Manjhi H.E. Project, Dharmshala forest division, Kangra, Himachal Pradesh.
2. Consent (Number 888-89) dated May 20, 2002 issued by the Range Forest Officer, for the diversion of 4.1889 hectare of forest land in favour of DHPL for the construction of 4.5 MW Manjhi H.E. project, Dharamshala Forest Division, District Kangra.
3. Letter dated June 28, 2004 from Senior Executive Engineer from the M&T Division, to certify that (2 x 2.25) MW Manjhi Hydro-electric project has been commissioned and successfully synchronised on June 12, 2004.
4. Licence (Number L&E (FAC) 9-30/06) dated February 2006 issued by the Himachal Pradesh Government Labour Department, granting approval to employ 50 (fifty) persons on any one day during the year, and for the use of motive power not exceeding 100 HP. The consent was valid until December 31, 2009.
5. No Objection Certificate (Number EE/IPHD-WA-1/NOC/2002/13384-86) dated February 13, 2002, issued by the Irrigation and Public Health Department of the Government of Himachal Pradesh granting no objection for the issuance of a no objection certificate to DHPL for the construction of the 4.5 MW Maujhi-I hydro power project.
6. Approval (Number F.NO.9-1408/2002-ROC/841) dated May 07, 2002 issued by the Ministry of Environment and Forests, Government of India granting approval for the diversion of 4.1889 hectares of forest land for the 4.5 MW Maujhi hydro electricity project at the Kangra District in Dharamsala.
7. Approval (Number HPSEB/ CE(P)/CC-Maujhi-II/2005-6357-66) dated October 27, 2005 issued by the Himachal Pradesh State Electricity Board granting techno-economic clearance to Maujhi - II SHP (2x2500KW) on Maujhi khad in Beas basin in Kangra District, Himachal Pradesh.
8. Letter (Number L&E(Fac)9-/92/08-2010-Vol XIII/ S. No. 2492) dated January 15, 2010 issued by the Inspectorate of Factories, Government of Himachal Pradesh for renewal of factories license under the Factories Act, 1948. The license is valid up to December 31, 2014.

Approvals applied for

9. Renewal (Receipt Number 0058838) for consent for operation for the years 2009-10 to 2011-12 dated May 21, 2009 applied before the Himachal Pradesh State Environment Protection and Pollution Control Board to operate under the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control of Pollution) Act, 1974. The renewal of the same is awaited.
10. Application for renewal of explosive license (Number E/NC/HP/22/329(E33549)) dated February 03, 2010 to the Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry, Government of India under the Explosives Rules, 1983. The renewal of the same is awaited.

Ind-Barath Power Infra Limited - 0.8 MW power project at Ramakkalmedu, Karnapuram Village, Udumbanchola Taluk, Idukki District, Kerala

1. Letter dated March 07, 2008 for transfer of technical approval for the 750 KW wind power project issued by Agency for Non-Conventional Energy and Rural Technology, Government of Kerala in favour of Vestas Wind Technology India Private Limited, transferred to Ind-Barath Power Infra Limited.
2. Approval dated September 28, 2007 issued by the Kerala State Electricity Board in favour of Vestas Wind Technology India Private Limited for installation of power transformers and necessary infrastructure development at Nedumkandam sub-station and drawal of 33 kV DC line from Pushpakandam to 66 kV S/s Nedumkandam.

Our Power Projects Under Implementation

Ind-Barath Thermal Power Limited - 300 MW thermal power project at Thoothukudi District in Tamil Nadu

Approvals received

1. Approval dated January 29, 2010 from the Government of India, Ministry of Coal, for 30% of 300 MW i.e. 90 MW (capacity of units 2x150 MW each) in accordance with the New Coal Distribution Policy.
2. No-objection letter dated March 12, 2010 from the Samynattham Village Panchayat for the setting up of a 450 MW coal based power plant at Swaminathan and Ottapidaram Villages, Ottapidaram Taluk, Tuticorin District, Tamil Nadu.

Approvals applied for

3. Letter dated April 28, 2010 to the District Forest Officer, Thoothukkudi Division, seeking a no-objection certificate for the construction of 3x150 MW coal based power plant at Swaminathan and Ottapidaram Villages, Ottapidaram Taluk, Tuticorin District and stating that no forest land is involved at the proposed project site.
4. Letter dated April 29, 2010 to the Secretary, Revenue Department, requesting for necessary permission under the Tamil Nadu Land Reforms Act, 1961.
5. Application dated October 22, 2009 made to the State Environmental Impact Assessment Authority of Tamil Nadu for environmental clearance. The public hearing in this regard happened on April 09, 2010.
6. Letter dated May 06, 2010 to the Regional Executive Director, Airports Authority of India, Southern Region, seeking a no-objection certificate to establish a 3x150 MW coal based power plant at Swaminathan and Ottapidaram Villages, Ottapidaram Taluk, Tuticorin District.

Ind-Barath Energy (Utkal) Limited – 700 MW and 660 MW thermal power projects at Sahajbahal, Jharsuguda District in Orissa

Approvals received

1. No Objection Certificate (Number AAI/ ER/NOC (122/9)/ 1024-1027) dated July 14, 2009 issued by the Airports Authority of India granting a no objection for the construction of the proposed chimney by IBEUL at Plot No. 1471, 1486, 1487, 1488 of Sahajbahal, Lakhanpur, Jharsuguda, Orissa, to the height of 275 meters above the ground level so that the proposed structure when erected shall not exceed 210 meters. This certificate is valid for a period of 7 years from the date of issue.
2. Approval (Number. Irr – II – WRC- 14/09) dated September 14, 2009 issued by the Additional Secretary to the Government, Department of Water Resources, Government of Orissa to IBEUL stating that the required quantity of water for the proposed industry is 28 cusecs can be available from the River Mahanadi.

3. Approval (Number J 13012/31/2008-IA.II(T)) dated November 30, 2009 issued by the Ministry of Environment and Forests, Government of India, granting environmental clearance to the 2x350 MW coal based thermal power plant at Sahajbahal District, Jharsuguda, Orissa. The environmental clearance shall be valid for a period of 5 years.
4. No objection certificated dated May 23, 2009 issued by Sarpach, Jharsuguda district for setting up of the project at Sahajbahal, Lakhanpur, Jharsuguda, Orissa.

Approvals applied for

5. Letter (Number 5407/Ind-II-NOC-5151) dated March 30, 2010 from the State Pollution Control Board, Orissa stating that the application for consent to establish has been cleared by the technical committee at their meeting on August 22, 2009. The said application is under consideration by the State Pollution Control Board, Orissa and will be placed in the next consent committee meeting for final decision.

Dharmshala Hydro Power Limited –5.0 MW hydel project at Kangra District in Himachal Pradesh

Approvals received

1. Consent (Number PCB/EE(J)/957) dated October 08, 2007 issued by the Himachal Pradesh Pollution Control Board for the establishment of the small hydro power project of 5 MW on Manjhi River Near VIII Thatvi Tehsil, Dharamshala District, Kangra.
2. Consent (Number 9-HPB642/2006-CHA/2396) dated March 13, 2007 issued by the Ministry of Environment and Forests, Government of India for diversion of 2.7074 hectare of forest land in favour of DHPL for constitution of 5 MW, Manjhi – II HEP within the jurisdiction of Dharmashala Forest Division, District Kangra, Himachal Pradesh.
3. No Objection Certificate (Number IPHD-WA-1/NOC/2005-06/17407-8) dated January 03, 2006, issued by the Irrigation and Public Health Department of the Government of Himachal Pradesh granting no objection for the issuance of a no objection certificate to DHPL for the construction of the 5 MW Maujhi-II hydro power project.
4. No Objection Certificate (Number FSH-F (2)39/2008-ARC-IV-7305) dated August 01, 2008, issued by the Directorate of Fisheries of the Government of Himachal Pradesh granting no objection for the setting up of Maujhi – II small hydro electric project (5.00 MW) in Kangra District.
5. Order (Petition Number 174 of 2008) dated January 23, 2009 issued by Himachal Pradesh Electricity Regulatory Commission authorising Maujhi-II hydro power project's connectivity to Maujhi I hydro power project.
6. Approval (Number F.No. 9-HPB642/2006-CHA/2396) dated March 13, 2007 issued by the Department of Forests, Government of Himachal Pradesh, granting approval for diversion of 2.7074 hectares of forest land for construction of the 5MW Maujhi-II hydro electricity plant.

Approvals applied for

7. Application (in Form XIII Number 0011975) for renewal of consent to establish for the year 2010-11 dated April 05, 2010 applied to the Himachal Pradesh State Environment Protection and Pollution Control Board to operate under the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control of Pollution) Act, 1974. The renewal of the same is awaited

Ind-Barath Power (Madras) Limited - 660 MW thermal power project at Manappad Tuticorin District in Tamil Nadu, India.

Approvals received

1. Letter (Letter No. 7617/S1/2008) dated June 08, 2009 issued by State Port Officer, Tamil Nadu Maritime Board, Government of Tamil Nadu permitting IBPML to use the sea water and the port facility at Manappad.
2. Application (Number CEA/Format/2009-10/12.01) dated December 12, 2009 has been made to the Central Electricity Authority for pre-qualification and for fixing inter-se priority of the proposed 2 x 660 MW thermal power project.
3. Letter dated November 29, 2009 issued by the Tahsildar, Sattankulam certifying the 600 acres (approximately) land purchased by IBPML in and around Pallakurichi Village, Sattankulam Taluk, Thoothkudi District for the proposed thermal power project.
4. Letter (Number J-13012/14/2008-IA.II (T)) dated April 23, 2008 issued by the Government of India, Ministry of Environment and Forests setting out the terms of reference for preparing the draft EIA report for the thermal power project. The environmental public hearing in this regard has taken place on April 06, 2010. The written approval of the MoEF is awaited.
5. Approval dated January 29, 2010 from the Government of India, Ministry of Coal, for 70% of one unit of 1 x 660 MW i.e. 462 MW in accordance with the New Coal Distribution Policy, subject to special milestones and conditions.

Offshore entities

PT Krisma Pusaka Sejati

Approvals received

1. Taxpayer Identification Number (Nomor Pokok Wajib Pajak or "NPWP") (NPWP No. 02.342.760.2-1734.000) dated October 06, 2004. from the Directorate General of Taxation - Department of Finance, in terms of which the company has been registered as taxpayer since October 06, 2004.
2. Business Domicile Permit (Surat Izin Tempat Usaha or "SITU") (SITU No. 503.1/596/ITU-KPPT/2010) dated April 21, 2010 from Regent of Kotabaru, based on which the company is registered at Jalan Singabana No. 31 Sub—district of Central Kotabaru, District of Pulau Laut Utara, Kotabaru Regent. This SITU shall be valid until April 20, 2013.
3. Adjustment to Mining License (Exploration or Exploitation Mining Concession, "IUP") (IUP Exploration No. 545/05/IUPE/D.PE/2010) dated April 09, 2010 from Regent of Koatabaru This IUP is valid up to April 09, 2013.
4. Adjustment to Mining License (Exploration or Exploitation Mining Concession, "IUP") (IUP Operation and Production No. 545/12/IUOP/D.PE/2010) dated April 09, 2010 from Regent of Kotabaru. This IUP is valid up to April 09, 2015.
5. Company Registration Certificate (Tanda Daftar Perusahaan or "TDP") (TDP No. 160415100274) dated May 19, 2010 from the Head of the Service office of Trade, Investment and Market Management of Kotabaru in terms of which the company is registered with the Company Registry Office in South Jakarta with its address at Jl. Singabana No. 31, Kotabaru Tengah, District of Pulau Laut Utara, Regency of Kotabaru 72113. This registration is valid until May 18, 2015.

6. Trade Business License (Surat Izin Usaha Perdagangan or “SIUP”) (SIUP No. 2468/16-04/SIUP-PK/V/2010) dated 19 May 2010, from the Regent of Kotabaru of the Service office of Trade, Investment and Market Management of Kotabaru. This license shall be valid as long as the Company continues to conduct its operational activities, provided that the Company submits a re-registration over this license every 5 (five) years. Based on this license, the line of business of the Company shall be trading of solid fuel (i.e. coal).
7. Certificate of Registration (Surat Keterangan Terdaftar of “SKT”) No. PEM-1277/WPJ.29/KP.0603/2010 dated April 14, 2010 in Batulicin from the Directorate General of Taxation of South and Central Kalimantan, Directorate General of Taxation, Department of Finance of the Republic of Indonesia, Tax Service Office of Batulicin, based on the SKT, the company is registered at: Jl. Singabana No. 31 RT 010 Central Kota Bary – Pulau Laut Utara Kota Baru – 72113.

PT Iwan Mining

Approvals received

1. Certificate of Registration (Surat Keterangan Terdaftar of “SKT”) No. PEM-723/WPJ.29/KP.0103/2009 dated September 30, 2009 in Banjarmasin from the Directorate General of Taxation of South and Central Kalimantan, Directorate General of Taxation, Department of Finance of the Republic of Indonesia, Tax Service Office of Banjarmasin. Based on the SKT, the company is registered at: Jl. Simpang Gusti No. 37 RT 003 Alalak Utara – North Banjarmasin 70125.
2. Taxpayer Identification Number (Nomor Pokok Wajib Pajak or “NPWP”) under No. 02.823.461.5-731.000 dated May 09, 2008 from the Directorate General of Taxation - Department of Finance.
3. Confirmation Letter as the Taxable Entrepreneur (Surat Pengukuhan Pengusaha Kena Pajak or “SPPKP”) (No. PEM-352/WJP.29/KP/01.03/2009) dated September 30, 2009 from Regional Office of the Directorate General of Taxation of South and Central Kalimantan, Directorate General of Taxation, Department of Finance of the Republic of Indonesia, Tax Service Office of Banjarmasin. based on which the company has been registered as a taxable entrepreneur.
4. Certificate of Company Domicile (Surat Keterangan Tempat Usaha or “SKTU”) (No. 503-45/SKTU-IV/BP2TPM/2010) dated April 06, 2010 from the Integrated Licensing Service and Investment Agency of the Regional Government of Banjarmasin City. Based on the SKTU, the company’s domicile is registered at Jl. Simpang Gusti IV/37 RT. 03, Alalak Utara, Banjarmasin. This SKTU shall be valid up until 15 September 2010.
5. Mining License (Exploration or Exploitation Mining Concession, “IUP) (Amendment to Decision of Regent of Tanah Bumbu No. 545/01/IUP-OP/D.PE/2010, dated March 03, 2010 concerning the approval to increase the mining concession for exploration to become an IUP of operation production and change of name from CV. Iwan Mining to PT. Iwan Mining No. 545/01/IUP-OP/D.PE/2010) dated March 03, 2010. This IUP is valid up to September 02, 2013.
6. Company Registration Certificate (Tanda Daftar Perusahaan or "TDP") (TDP No. 161015303330) dated April 19, 2010 from the Head of Integrated Licensing Services Agency and Investment of Banjarmasin City in terms of which the company is registered with the Company Registry Office in Banjarmasin with its address at Jl. Simpang Gusti IV No. 37 RT.3 Kel. Alalak Utara Banjarmasin. This registration is valid until April 19, 2015.
7. Trade Business License (Surat Izin Usaha Perdagangan or “SIUP”) (SIUP No. 503-014/SIUP.BB-IV/BP2TPM/2010) dated April 12, 2010, from the Mayor of Banjarmasin of the Integrated Licensing and Investment Agency of Banjarmasin. This license shall be valid as long as the Company continues to conduct its operational activities, provided that the Company submits a re-registration over this license every 5 (five) years. Based on this license, the line of business of the Company shall be trading of goods (i.e. coal).

PT Indbharath

Approvals received

1. Company Registration Office (Tanda Daftar Perusahaan "TDP") (No. 161015303331) issued by the Head of License and Investment Services Office of Banjarmasin on April 19, 2010. Based on the TDP, the Company has its domicile at Jl. Simpang Gusti IV No. 37, RT. 3, Alalak Utara, Banjarmasin. The TDP shall be valid until 19 April 2015.
2. Certificate of Registration (Surat Keterangan Terdaftar or "SKT") (No: PEM-722/WPJ.29/KP.0103/2009) dated September 30, 2009 from the Directorate General of Taxation of South and Central Kalimantan, Directorate General of Taxation, Department of Finance of the Republic of Indonesia, Tax Service Office of Banjarmasin, based on the SKT, the company is registered at: Jl. Simpang Gusti No. 37 RT 003 Alalak Utara – North Banjarmasin 70125.
3. Taxpayer Identification Number (Nomor Pokok Wajib Pajak) (NPWP under No. 02.832.451.6-731.000) dated September 30, 2009 from the Directorate General of Taxation - Department of Finance.
4. Confirmation Letter as the Taxable Entrepreneur (Surat Pengukuhan Pengusaha Kena Pajak or "SPPKP") (No. PEM-351/WPJ.29/KP.0103/2009) dated September 30, 2009 from the Directorate General of Taxation, Department of Finance of the Republic of Indonesia, based on which the company has been registered as a taxable entrepreneur.
5. Certificate of Company Domicile (Surat Keterangan Tempat Usaha or "SKTU") (No. 505-44/SKTU-IV/BP2TPM) dated April 07, 2010 from Mayor of Banjarmasin, based on the SKTU, the company's domicile is registered at Jl. Simpang Gusti IV/37 RT. 03 Alalak Utara, Banjarmasin. This SKTU shall be valid up until September 15, 2010.
6. Mining License (Exploration or Exploitation Mining Concession, "IUP") (Approval for IUP Exploration for PT Indbharath No. 545/026/IUP-E/D.PE/2010) dated February 18, 2010 from Regent of Tanah Bumbu for the company for an area of 287,3 ha located in Tanah Bumbu. This IUP is valid until April 29, 2013.
7. Mining License (Exploration or Exploitation Mining Concession, "IUP") (Approval for IUP Exploration for PT Indbarath No. 545/027/IUP-E/D.PE/2010) dated February 18, 2010 from Regent of Tanah Bumbu for the company for an area of 107,7 Ha located in Tanah Bumbu. This IUP is valid until May 29, 2013.
8. Trade Business License (Surat Izin Usaha Perdagangan or "SIUP") under letter No. 503-015/SIUP-BB-IV/BP2TPM/2010, dated April 12, 2010 issued by the Mayor of Banjarmasin. This license shall be valid as long as The Company continues to conduct its operational activities, provided that The Company submit a re-registration over this license every 5 (five) years.

PT Indbharath Energy

Approvals received

1. Company Registration Certificate (Tanda Daftar Perusahaan or "TDP") (TDP No. 09.03.1.10.55463) dated April 07, 2010 from the Head of Industry and Trade Agency of South Jakarta in terms of which the company is registered with the Company Registry Office in South Jakarta with its address at Gedung Menara Duta 1st floor Wing A, Jl. HR Rasuna Said, Kav. B-9, Setiabudi, South Jakarta, DKI Jakarta Raya 12910. This registration is valid until March 18, 2013.
2. Taxpayer Identification Number (Nomor Pokok Wajib Pajak or "NPWP") (No. 02.648.322.2-018.000) dated February 22, 2010 from the Directorate General of Taxation- Department of Finance.

3. Certificate of Company Domicile (Surat Keterangan Domisili Perusahaan or "SKDP") (Letter No. 060/-1.824.7/2010) dated February 07, 2010 from the Head of Setiabudi Sub-District based on which the company has its registered address at Gedung Menara Duta, 1st floor, Wing B, Jl. H.R. Rasuna Said, Kav. B-9, Setiabudi, South Jakarta.
4. Foreign Investment Approval (Surat Persetujuan Penanaman Modal) (Letter No. 1299/I/PMA/2007) dated October 09, 2007 from the Capital Investment Coordinating Board for the approval of foreign investment under the name of PT Indbharath Energy.
5. Amendment of Project Plan (No. 1422/III/PMA/2009) dated October 21, 2009 from the Capital Investment Coordinating Board as an approval for project completion period and change of shareholding composition.
6. Registration for the Change of Project Plan (letter No. 257/A-8/2010) dated March 19, 2010 pursuant to which the Capital Investment Coordinating Board (Badan Koordinasi Penanaman Modal "BKPM") has approved the change over of the company's project plan which includes the line of business of the company, as well as the location of the project of the company.

PT Berkat Banua Hampang

Approvals received

1. Company Registration Certificate (Tanda Daftar Perusahaan or "TDP") pursuant to which the Company has been registered with the Company Registry Office in Kotabaru, as indicated in TDP No. 160415100169.
2. Taxpayer Identification Number (Nomor Pokok Wajib Pajak or "NPWP") (No. 02.342.916.0-732.000) from the Directorate General of Taxation - Department of Finance.
3. Certificate of Company Domicile (Surat Keterangan Tempat Usaha or "SKTU") (Letter No. 503/053/ITU/EKO) dated June 30, 2004 issued by the Regent of Kotabaru based on which the company's domicile is registered at Jl. Tambak II Blok A No. 51, Kabupaten Kotabaru.
4. Mining License (Exploration or Exploitation Mining Concession, "IUP") (Approval for the Adjustment towards the IUP Operation Production for PT Berkat Banua Hampang under No. 545/11/IUPOP/D.PE/2010) dated April 09, 2010 from Regent of Kotabaru. This IUP is valid until April 09, 2015.
5. Mining License (Exploration or Exploitation Mining Concession, "IUP") (Approval for the Extension towards the IUP for Exploration for PT Berkat Banua Hampang under No. 545/08/IUPE/D.PE/2009) dated September 02, 2009 from Regent of Kotabaru. This IUP is valid until September 01, 2012.

SECTION VIII: OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors has, pursuant to a resolution passed at its meeting held on May 06, 2010, authorised the Fresh Issue subject to the approval of 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, pursuant to a resolution dated May 10, 2010 under Section 81(1A) of the Companies Act, authorised the Fresh Issue.

We have received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated • and •, respectively. • is the Designated Stock Exchange.

CVCIGP II Client Rosehill Limited and CVCIGP II Employee Rosehill Limited have obtained approval for the Offer for Sale pursuant to their board resolutions each dated May 24, 2010. Gautam Nayak and Keshav Bhujle (as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust) have approved the Offer for Sale by letter dated June 17, 2010. Sriba Seabase Private Limited has obtained approval for the Offer for Sale pursuant to board resolution dated May 31, 2010 and UTI has obtained approval for the Offer for Sale pursuant to resolution of the board dated December 20, 2004 and letter dated June 11, 2010.

Prohibition by SEBI

We confirm that neither (i) Our Company, the Selling Shareholders, our Subsidiaries, our Promoters, persons in control of our Company, the Promoter Group, our Directors and our Group Companies, nor (ii) companies with which any of the Promoters, Directors or persons in control of our Company are or were associated as a promoter, director or person in control are debarred or have been prohibited from accessing the capital markets under any order, direction passed by SEBI or any other authority.

None of our Directors are associated with the securities market in any manner except as follows:

Vaddarse Prabhakar Shetty is a director on the board of JM Financial Asset Management Company Private Limited which is registered with SEBI as a portfolio manager, and JM Financial Securities Private Limited which is registered with SEBI as a stockbroker.

SEBI has not initiated any action against any of our Directors

The listing of securities of our Company has never been refused at any time by any stock exchange in India.

Prohibition by RBI

None of our Company, our Promoters, our Group Companies or any of the relatives of our Promoters has been declared as wilful defaulters by the RBI or any other authority.

Eligibility for the Issue

The Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with financial statements under Indian GAAP:

- The Company has net tangible assets of at least Rs. 30.00 million in each of the preceding three full years (of 12 months each), of which not more than 50.00% are held in monetary assets;
- The Company has a track record of distributable profits in accordance with Section 205 of the Companies Act, for at least three of the immediately preceding five years;
- The Company has a net worth of at least Rs. 10.00 million in each of the three preceding full years (of 12 months each);
- The aggregate of the proposed Issue and all previous issues made in the same financial years in terms of the issue size is not expected to exceed five times the pre-Issue net worth of the Company; and
- The Company has not changed its name in the last fiscal year.

The Company's net profit, dividend, net worth, net tangible assets and monetary assets derived from its audited unconsolidated financial statements for the five financial years ended March 31, 2009, 2008, 2007, 2006 and 2005, are set forth below:

Particulars	<i>(Rs. in million)</i>				
	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
Distributable Profits (1)	20.85	3.55	0.69	(1.33)	0.42
Net Worth (2)	3,964.32	3,594.80	1,039.96	479.75	70.58
Net Tangible assets (3)	5,457.33	4,137.89	1,504.57	839.22	573.17
Monetary assets (4)	8.41	304.13	0.80	0.80	0.89
Monetary assets as a percentage of the net tangible assets	0.15%	7.35%	0.05%	0.10%	0.16%

(1) 'Distributable profits' have been defined in terms of section 205 of the Companies Act, 1956.

(2) 'Net worth' means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of the miscellaneous expenditure (to the extent not written off) and the debit balance in the profit and loss account..

(3) 'Net tangible assets' means the sum of all net assets of the Company excluding intangible assets as defined in Accounting Standard 26 issued by Institute of Chartered Accountants of India.

(4) Monetary assets comprise of cash, and, balances in current and deposit accounts with banks.

The Company 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. In case of delay, if any, in refund the Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Disclaimer clause

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, JM FINANCIAL CONSULTANTS PRIVATE LIMITED, MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED, DSP MERRILL LYNCH LIMITED, IDFC CAPITAL LIMITED AND AVENDUS CAPITAL PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, JM FINANCIAL CONSULTANTS PRIVATE LIMITED, MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED, DSP MERRILL LYNCH LIMITED, IDFC CAPITAL LIMITED AND AVENDUS CAPITAL PRIVATE LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 21, 2010, WHICH READS AS FOLLOWS:

- 1. "WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, IT'S 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 OUR COMPANY,**

WE CONFIRM THAT:

- (A) **THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
- (B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE SAID ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED / ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- (C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 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 SEBI AND THAT TILL DATE ALL SUCH REGISTRATIONS ARE VALID.**
4. **WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**
5. **WE CERTIFY THAT WRITTEN CONSENTS FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THAT THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED OF/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**
6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT 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 EQUITY SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE AS PER SECTION 68B OF THE COMPANIES ACT, PURSUANT TO WHICH ALLOTMENT SHALL BE IN DEMAT FORM 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 SEBI FROM TIME TO TIME
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHILE MAKING AN ISSUE.

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE , ETC.**
15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.”**

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company and the Selling Shareholders from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Draft Red Herring Prospectus.

Disclaimer from our Company, the Selling Shareholders, the BRLMs

Our Company, the Selling Shareholders, the BRLMs accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company’s instance and Anyone placing reliance on any other source of information, including our Company’s website www.ibpil.com, or the website of any Subsidiaries, Promoter Group company, or of any affiliate or associate of our Company or its Subsidiaries, would be doing so at his or her own risk.

Caution

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement entered into among the BRLMs, our Company and and the Selling Shareholders dated June 18, 2010 and in the Underwriting Agreement to be entered into among the Underwriters, our Company and the Selling Shareholders.

All information shall be made available by us, 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 or at bidding centres or elsewhere.

Neither our Company, nor the Selling Shareholders, nor the Syndicate shall be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Note:

Investors who bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Disclaimer in respect of jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the 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 Hyderabad, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for observations and SEBI has given 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 any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, in reliance on Rule 144A under the Securities Act, and (ii) outside the United States in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where these offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Underwriting Agreement provides that the BRLMs may directly or through their U.S. broker-dealer affiliates arrange for the offer and resale of the securities within the United States only to qualified institutional buyers in reliance on Rule 144A. In addition, until 40 days after the Issue, an offer of the securities within the United States by a dealer may violate the registration requirements of the Securities Act. Each purchaser of the securities will be deemed to have made the acknowledgements, representations and agreements as described in “Transfer Restrictions” below.

Transfer Restrictions

Because the following restrictions will apply to the Issue, purchasers are advised to consult their own legal counsel prior to making any offer, resale, pledge or transfer of the Equity Shares.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to the BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing with the RoC.

Filing

A copy of this Draft Red Herring Prospectus had 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, will be delivered to the RoC at 2nd Floor, CPWD Building, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad 500 195, , India. A copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration with the RoC upon closure of the Issue and finalisation of the Issue Price.

Listing

Applications have been made to the BSE and the NSE for permission to deal in and for an official quotation of our Equity Shares. • will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders will repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight Working Days after our Company become liable to repay it, i.e. from the date of refusal of such permission or within twelve Working 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 Working Days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within four Working Days of approval of the Basis of Allotment for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscription, for, any shares therein, or**
- (b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,**

shall be punishable with imprisonment for a term which may extend to five years.”

Consents

Consents in writing of: (a) the Selling Shareholders, the Directors, the Company Secretary and Compliance Officer, the Statutory Auditor, Bankers to the Issue and Bankers to our Company, and (b) the BRLMs and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue, the domestic legal advisors to our Company, the domestic legal advisors to the BRLMs and the international legal advisors to the BRLMs, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI ICDR Regulations, M/s. B S R & Co, Chartered Accountants, the Auditors of our Company have agreed to provide their written consent to the inclusion of their report dated May 31 2010 on restated financial statements and auditor’s report relating to the possible tax benefits, as applicable, which may be available to our Company and its shareholders, included in this Draft Red Herring Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Draft Red Herring Prospectus.

Expert opinion

Except the report of Ali Budiardjo, Nugroho, Reksodiputro, Counsellors at Law, Jakarta dated June 02, 2010 with respect to PT Krisma Pusaka Sejati, PT Berkat Banua Hampang, PT Ind Bharath, PT Iwan Mining and PT Indbharath Energy, disclosed in this Draft Red Herring Prospectus, the Company has not obtained any expert opinions.

Issue related expenses

The total expense of the Issue are estimated to be approximately Rs. • million. The expenses of this Issue include, among others, underwriting and lead management fees, selling commissions, SCSBs' commission/ fees, fees and expenses of the SEBI registered rating agency for IPO grading, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar an depository fees and listing fees.

The estimated Issue expenses are as under:

Activity	Expenses (Rs. in million)*	As a % of Issue Size	As a % of Total Issue Expenses
Lead management fee	•	•	•
Underwriting and selling commissions	•	•	•
Registrar's fees	•	•	•
Advisor's fees, including legal fees.	•	•	•
SCSBs' commission	•	•	•
Advertising and marketing expenses	•	•	•
Printing and stationery	•	•	•
IPO grading expenses	•	•	•
Others (, listing fee, etc.)	•	•	•
Total estimated Issue expenses	•	•	•

* Will be incorporated after finalisation of Issue Price

Each of the Company and the Selling Shareholders shall pay the underwriting commission, procurement commission if any, brokerage due to the underwriters and stock brokers/sub-brokers and any other fees and commission payable in relation to the Issue as per the engagement letters executed among the Company, Selling Shareholders and BRLMs. All commercial terms in the engagement letters executed among the Company, Selling Shareholders and BRLMs with relation to the Managers' fees and commissions shall prevail. The listing fees will be paid by our Company.

Fees, brokerage and selling commission payable to the Book Running Lead Managers and the Syndicate Members

The total fees payable to the BRLM and the Syndicate Members (including underwriting commission and selling commission) will be as stated in their respective fee letters' (i) dated May 14, 2010, among our Company and the BRLMs; and (ii) dated June 18, 2010, among BRLMs and the Selling Shareholders, copies of which will be made available for inspection at our Registered Office.

Fees payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the memorandum of understanding between our Company and the Registrar to the Issue dated April 28, 2010, a copy of which will be made available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

IPO grading

This Issue has been graded by ICRA Limited and has been assigned the grade of “●” indicating ●, through its letter dated ●, which is valid for a period of ●. The IPO grading is assigned on a five point scale from 1 to 5 wherein an “IPO Grade 5” indicates strong fundamentals and an “IPO Grade 1” indicates poor fundamentals. A copy of the report provided by ●, will be made available for inspection at our Registered Office.

Summary of rationale for grading by the IPO Grading Agency

●

Previous rights and public issues

We have not made any previous rights and public issues, and are an “Unlisted Company” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the Sections titled “Capital Structure” and “History and Certain Corporate Matters” on pages 72 and 214, respectively, we have not issued any Equity Shares for consideration other than for cash.

Underwriting Commission and Brokerage on Previous Issues

We have not made any previous public issues. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of our Company since our inception.

Companies under the same Management

There are no companies under the same management within the meaning of section 370 (1B) of the Companies Act, other than ● and ●. No company under the same management as our Company within the meaning of Section 370(1B) of the Companies Act has made any public issue (including any rights issues to the public) during the last three years.

Promise v/s performance

Our Company is an “Unlisted Company” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering”. For details of promise v performance of our Group Companies, please refer to the section titled “Our Promoters and Group Companies” on page 256.

Outstanding debentures, bonds, redeemable preference shares and other instruments issued by our Company

Our Company has no outstanding debentures or bonds. Our Company has issued redeemable preference shares in the past. For details, please refer to the section titled “Capital Structure” on page 72.

Stock market data for our Equity Shares

This being an initial public issue 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 to be entered into by the Registrar to the Issue and the Company will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the ASBA Form was submitted by the ASBA Bidder.

We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board by a resolutions on May 06, 2010, constituted a Shareholders/Investors Grievance Committee. The Shareholders/Investors Grievance Committee comprises Tatipaka Gopala Rao as Chairman and T. Stanley Babu and D. Madhusudhana Reddy as members.

For further details, please refer to the Section titled “Our Management” on page 239.

We have also appointed Dr. P.V.S. Jagan Mohan Rao as the Compliance Officer for this Issue and he may be contacted at the Registered Office of our Company. His contact details are as follows:

Dr. P.V.S. Jagan Mohan Rao
Plot No. 30A
Road No. 1, Film Nagar
Jubilee Hills
Hyderabad 500 033, India
Tel: (91 40) 2355 3459;
Fax: (91 40) 2355 3462;
Email: jagan@ibpil.com

Investors can contact the Compliance Officer or the Registrar to the Issue or either of the BRLMs in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

Disposal of investor grievances by listed companies under the same management as our Company

No company under the same management as our Company within the meaning of section 370(1B) of the Companies Act has made any public issue (including any rights issues to the public) during the last three years.

Change in Auditors

Name of the Auditor	Date of Appointment	Date of resignation	Reason
N. Siva Prasad Associates	Appointed at first AGM	July 19, 2007	Resignation
M/s. B S R & Company	July 19, 2007	April 02, 2010	Resignation
M/s. B S R & Co	April 15, 2010	-	-

Capitalisation of reserves or profits

The details regarding capitalisation of reserves are enumerated in the Section titled “Capital Structure” on page 72. Other than as mentioned therein, we have not capitalised any of our reserves or profits.

Revaluation of assets

We have not revalued our assets in the last five years.

SECTION IX: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the ASBA Form, ASBA Revision Form, the Bid cum Application Form, the Revision Form, the CAN, the AI CAN and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, RBI, RoC, FIPB and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Board of Directors has, pursuant to a resolution passed at its meeting held on May 06, 2010, authorised this Issue subject to the approval of the shareholders of our Company, and such other authorities as may be necessary.

The shareholders of our Company have, pursuant to a resolution dated May 10, 2010, under section 81(1A) of the Companies Act, authorised this Issue.

Pursuant to a letter dated •, 2010, we have applied to the RBI for its approval for the sale of the Equity Shares by the Selling Shareholders as a part of the Issue. Our Company has received an approval on • from the RBI for the Offer for Sale.

CVCIGP II Client Rosehill Limited and CVCIGP II Employee Rosehill Limited have obtained approval for the Offer for Sale pursuant to their board resolutions each dated May 24, 2010. Gautam Nayak and Keshav Bhujle (as trustees of the following trusts: CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Ajay Relan Trust, CVCIGP II Jayanta Kumar Basu Trust) have approved the Offer for Sale by letter dated June 17, 2010. Sriba Seabase Private Limited has obtained approval for the Offer for Sale pursuant to board resolution dated May 31, 2010 and UTI has obtained approval for the Offer for Sale pursuant to resolution of the board dated December 20, 2004 and letter dated June 11, 2010.

The IPO Committee, pursuant to its resolution dated June 21, 2010 has approved and authorised this Draft Red Herring Prospectus.

Our Company has obtained in-principle listing approvals dated • and • from the BSE and the NSE, respectively.

Ranking of Equity Shares

The Equity Shares being issued or transferred shall be subject to the provisions of our Memorandum and Articles of Association and shall rank *pari passu* with the existing Equity Shares including rights in respect of dividends. The Allottees of the Equity Shares in this Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section titled "Main Provisions of the Articles of Association" on page 499.

Mode of Payment of Dividend

Our Company shall pay dividend to the shareholders of our Company in accordance with the provisions of the Companies Act. In relation to the Offer for Sale, the dividend for the entire year shall be payable to the transferees.

Face value and Issue Price

The Equity Shares with a face value of Rs. 10.00 each will be issued in terms of the Draft Red Herring Prospectus at a price of Rs. • per share. The Price Band is Rs. • to Rs. •. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws. The Anchor Investors will be issued shares at a price of • per Equity Shares.

Option to Subscribe

Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialised form only.

Compliance with the SEBI

Our Company shall comply with applicable disclosure and accounting norms specified by the SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- right to receive dividends, if declared;
- right to attend general meetings and exercise voting powers, unless prohibited by law;
- right to vote on a poll either in person or by proxy;
- right to receive offers for rights shares and be allotted bonus shares, if announced;
- right to receive surplus on liquidation, subject to any statutory or other preferential claims being satisfied;
- right of free transferability of Equity Shares, subject to applicable foreign direct investment policy, foreign exchange regulations and other applicable laws; 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 agreements executed with the Stock Exchanges, and our Company's Memorandum and Articles of Association.

For further details on the main provisions of our Company's Articles of Association including those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer to the section titled 'Main Provisions of our Articles of Association' on page 499.

Market Lot and Trading Lot

As per the applicable law, the allotment and trading of our Equity Shares shall only be in dematerialised form for all investors. Since trading of our Equity Shares will be in dematerialised form, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. Allotment in this Issue will be done only in electronic form in multiples of one Equity Share subject to a minimum Allotment of • Equity Shares to successful Bidders.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Hyderabad, India.

Nomination Facility to the Investor

In accordance with section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the bidders, as the case may be, the Equity Shares transferred, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or at the registrar and transfer agent of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in this Issue will be made only in dematerialised mode, there is no need to make a separate nomination with our Company and the Selling Shareholders. Nominations registered with respective depository participant of the applicant would prevail. If the investors require a change in the 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 Fresh Issue, including devolvement of the Underwriters, if any, within 60 days from the Bid/Issue Closing Date, our Company shall refund the entire subscription amount received, but not later than 10 weeks of the Bid/Issue Closing Date. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest as per Section 73 of the Companies Act.

The requirement for minimum subscription is not applicable to the Offer for Sale.

In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Our Company shall ensure that the number of prospective allottees to whom Equity Shares in the Issue will be allotted will be not less than 1,000 failing which we shall refund the entire subscription amount received.

Application by Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI

It is to be distinctly understood that there is no reservation for eligible NRIs and FIIs registered with SEBI or FVCIs registered with SEBI. All NRIs, FIIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation. As per existing regulations, OCBs cannot participate in the Issue.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only, the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of pre-Issue Equity Shares as provided in section titled “Capital Structure” on page 72, there are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles of Associations. For details, please refer to the Section titled “Main Provisions of our Articles of Association” on page 499. For details on restrictions on foreign ownership, please refer to the sections titled “Regulations and Policies” on page 201 and “Other Regulatory and Statutory Disclosures - Disclaimer in respect of jurisdiction - Transfer Restrictions” on page 446.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

SECTION X: ISSUE STRUCTURE

The Issue of up to • Equity Shares for cash at a price of Rs. • per Equity Share including a share premium of Rs. • per Equity Share, aggregating to Rs. • million, is being made through the 100% Book Building Process, comprising of the Fresh Issue of up to • Equity Shares by our Company aggregating to Rs. 11,400.00 million and the Offer for Sale of up to 8,765,148 Equity Shares by the Selling Shareholders aggregating to Rs. • million. The Issue would constitute • % of the post Issue paid-up capital of our Company.

Our Company is also considering a Pre-IPO Placement of up to 2,900,000 Equity Shares and aggregating up to Rs. 1,700.00 million with various investors. The Pre-IPO placement is at the discretion of our Company. Our Company will complete the issuance and allotment of such Equity Shares prior to the filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Fresh 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 share capital being offered to the public.

	QIBs*	Retail Individual Bidders	Non Institutional Bidders
Number of Equity Shares*	Up to • Equity Shares	Available for Allocation of not less than • Equity Shares or Issue Size less allocation to QIB Bidders and allocation to Non Institutional Bidders.	Available for Allocation of not less than • Equity Shares or Issue Size less allocation to QIB Bidders and allocation to Retail Individual Bidders.
Percentage of Issue Size available for allocation	Not more than 50% of the Issue Size being allocated. However, 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Not less than 35% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders.	Not less than 15% of the Issue or Issue less allocation to the QIB Portion and allocation to Retail Individual Bidders.
Basis of Allotment if respective category is oversubscribed**	Proportionate as follows: (a) • Equity Shares constituting 5% of the QIB portion shall be available for allocation on a proportionate basis to Mutual Funds. (b) • Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares, in multiples of • Equity Shares, so that the Bid Amount exceeds Rs. 100,000	• Equity Shares and in multiples of • Equity Share	Such number of Equity Shares, in multiples of • Equity Shares, so that the Bid Amount exceeds Rs. 100,000
Maximum Bid	Such number of Equity Shares not exceeding the Issue Size, subject to applicable limits.	Such number of Equity Shares in multiples of • Equity Shares such that the Bid Amount does not exceed Rs. 100,000.	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	• Equity Shares and in multiples of • Equity Shares thereafter.	• Equity Shares and in multiples of • Equity Shares thereafter.	• Equity Shares and in multiples of • Equity Shares thereafter.
Allotment Lot	• Equity Shares and in multiples of 1 Equity Share thereafter.	• Equity Shares and in multiples of 1 Equity Share thereafter.	• Equity Shares and in multiples of 1 Equity Share thereafter.
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply ***	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, Mutual Funds, FII's registered with SEBI other than FIIs sub-accounts who are foreign companies or foreign individuals, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, multilateral and bilateral development financial institutions, and State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million, pension funds with minimum corpus of Rs. 250 million in	Resident Indian individuals, eligible NRIs and HUFs (in the name of the <i>karta</i>).	Resident Indian individuals, eligible NRIs, HUFs (in the name of the <i>Karta</i>), companies, corporate bodies, scientific institutions societies and trusts and FIIs and their sub-accounts which is a foreign corporate or foreign individual.

	QIBs*	Retail Individual Bidders	Non Institutional Bidders
	accordance with applicable law and the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India and insurance funds set up and managed by army, navy or air force of the Union of India.		
Terms of Payment[#]	The entire Bid Amount shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate. In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount in the ASBA Accounts that are specified in the ASBA Form.		

* *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 Anchor Investor Issue Price. For further details, please see "Issue Procedure" on page 459.*

** *The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be allocated to QIB Bidders on a proportionate basis. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allotment on a proportionate basis to all QIBs, including Mutual Funds, subject to valid bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.*

Mutual Funds participating in the aforesaid 5% of the QIB portion will also be eligible for allocation in the remaining QIB portion. The unsubscribed portion in the Mutual Fund Portion will be available to the remaining QIBs. If the aggregate demand by Mutual Funds is less than Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIBs in proportion to their Bids.

Under-subscription, if any, in any of category will be allowed to be met with spill over from any other category at the discretion of our Company, in consultation with the BRLM.

In case the Bid cum Application Form or ASBA Form, as the case may be, is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

Withdrawal of the Issue and Conditions Subsequent to Allotment

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Issue after Bid/Issue Closing Date in accordance with SEBI ICDR Regulations. If our Company withdraws from the Issue, it shall issue a public notice within two days of the closure of the Issue. The public notice shall be issued in the same newspapers where the pre-Issue advertisements had appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh draft red herring prospectus with the SEBI.

We are also required to obtain final acknowledgement of the Prospectus from the RoC after it is filed with the RoC. Notwithstanding the foregoing, subsequent to Allotment, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for only after Allotment.

Letters of Allotment or Refund Orders

Our Company shall credit each beneficiary account with its depository participant within two Working Days of the date of Allotment. Applicants having bank account at any of the 68 centres, as mentioned in the paragraph titled ‘Mode of making refunds’ on page 480 will receive refunds only through ECS (subject to availability of all information for crediting the refund through ECS) except where the applicant is eligible to receive refunds through direct credit, NEFT or RTGS. In the case of other applicants our Company shall ensure the dispatch of refund orders, if any, of value up to Rs.1,500.00 by “Under Certificate of Posting”, and shall dispatch refund orders above Rs.1,500.00, if any, by registered post or speed post at the sole or First Bidder’s, sole risk within ten Working Days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter (refund advice) through ordinary post informing them about the mode of credit of refund, within ten Working Days of the Bid/Issue Closing Date.

Interest in Case of Delay in Dispatch of Allotment Letters/ Refund Orders or Instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI ICDR Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialised form within nine Working Days from the Bid/ Issue Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or ECS, shall be done within ten Working Days from the Bid/Issue Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within eight Working Days of the Bid/Issue Closing Date.
- It shall pay interest at 15% per annum. if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within ten Working Days from the Bid/Issue Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within eight Working Days of the Bid/Issue Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay orders or demand drafts drawn on any one or more of the Escrow Collection Banks/ Refund Banker(s) 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.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Account to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

Bid/Issue Program

BID/ISSUE OPENS ON	●, 2010
BID/ISSUE CLOSES ON	●, 2010

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

Except in relation to 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) during the Bidding/Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form, in case of Bids submitted through ASBA Form, the Designated Branches, except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) (excluding ASBA Bidders) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000.00 and (ii) until 5:00 p.m., in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000.00. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1:00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, our Company, the BRLMs, the Syndicate Members, the Registrars to Issue and the SCSBs will not be responsible. Bids will only be accepted on Business Days, i.e., any day other than Saturday or Sunday on which commercial banks in Hyderabad, India are open for business. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be

provided by the NSE and the BSE.

The Company and the Selling Shareholders may decide, in consultation with the BRLMs to close the bidding by QIBs (including QIBs bidding through ASBA) one day prior to the closure of the Issue, provided that the Bidding shall be kept open for a minimum of three days for all categories of Bidders.

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 electronic book may be taken as the final data for the purpose of allotment. In order that the data so captured is accurate, the Syndicate members and SCSBs may be permitted an additional day, post Bid/Issue Closing Date, to amend some of the data fields entered by them in the electronic bidding system.

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

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

In case of any revision in the Price Band, the Bidding/Issue Period shall be extended for three additional Working Days after such revision, subject to the total Bidding/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and the terminals of the other members of the Syndicate.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders can participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process.

Book Building Procedure

This Issue is being made for less than 25% of the post-Issue capital pursuant to Rule 19(2)(b)(ii) of the SCRR read with Regulation 41(1) of the SEBI ICDR Regulations. The Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations. Further, this Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis out of which 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Our Company may allocate up to 30% of the QIB Portion to the Anchor Investors on a discretionary basis. One third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price.

Under subscription if any in any category, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and Selling Shareholders, in consultation with the BRLM and the Designated Stock Exchange.

Bidders are required to submit their Bids through the Syndicate or their affiliates. Further, QIB Bids can be procured only through the BRLMs or their affiliates. In the case of QIB Bidders, our Company and Selling Shareholders, in consultation with the BRLMs, may reject Bids at the time of acceptance of the Bid cum Application Form provided that the reasons for such rejection shall be disclosed to such Bidder in writing. Provided that, our Company in consultation with the BRLMs, reserves the right to reject any Bid procured from Anchor Investors without assigning any reason thereof. In the cases of Non-Institutional Bidders and Retail Individual Bidders, our Company will have a right to reject the Bids only on technical grounds. Allocation to Anchor Investors will be discretionary and not on a proportionate basis.

Investors should note that Allotment to all successful Bidders will only be in dematerialised form. Bidders will not have the option of receiving Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis excluding Anchor Investors	White
Non-Residents, Eligible NRIs, FVCIs, FIIs on a repatriation basis, excluding Anchor Investors	Blue
Anchor Investors	Yellow
ASBA Bidders	White

ASBA Bidders shall submit an ASBA Form either in physical or electronic form to the SCSB authorising blocking funds that are available in the bank account specified in the ASBA Form used by ASBA Bidders. Upon dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Form shall be considered as the Application Form. Upon completing and submitting the ASBA Form for ASBA Bidders to the SCSB, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

Who can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
2. Indian nationals resident in India who are not minors in single or joint names (not more than three);
3. Hindu Undivided Families 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 or the ASBA Form, as the case may be, as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
4. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to compliance with applicable laws. NRIs, other than Eligible NRIs, are not permitted to participate in this Issue;
5. Sub accounts of FII's registered with SEBI, which are foreign corporates or foreign individuals, only under the Non-Institutional Bidders category and FIIs registered with SEBI and sub accounts of FII's which are not foreign corporates or foreign individuals under the QIB portion;
6. State industrial development corporations;
7. Insurance companies registered with the Insurance Regulatory and Development Authority, India;
8. Provident Funds with a minimum corpus of Rs. 250.00 million and who are authorised under their constitution to invest in equity shares;
9. Pension funds with a minimum corpus of Rs. 250.00 million and who are authorised under their constitution to invest in equity shares;
10. Companies, corporate bodies and societies registered under applicable laws in India and authorised to invest in equity shares;
11. VCFs;
12. FVCIs;
13. Mutual Funds;
14. Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI ICDR Regulations and regulations, as applicable);
15. Multilateral and bilateral development financial institutions;
16. Trusts registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorised under their constitution to hold and invest in equity shares;
17. Scientific and/or industrial research organisations in India authorised to invest in equity shares;
18. Insurance funds set up and managed by army, navy or air force of the Union of India; and
19. The National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India.

As per existing regulations, OCBs cannot Bid in the Issue. For further details, please see section titled 'Terms of the Issue' on page 451.

Participation by Associates/Affiliates of the BRLMs and Syndicate Members

Associates/affiliates of the BRLMs and Syndicate Members or any person related to the BRLMs or the Syndicate Member may Bid and subscribe to Equity Shares in the Issue in the QIB Portion or in the Non-Institutional Portion as may be applicable to such investors. Such bidding and subscription may be on their own account or on behalf of their clients. Allotment to all investors including associates/affiliates of the BRLMs and Syndicate Members respectively shall be on a proportionate basis.

The BRLMs and Syndicate Members or any person related to the BRLMs or the Syndicate Member shall not be allowed to subscribe to the Anchor Investor Portion in any manner except towards fulfilling their underwriting obligations..

However, the BRLMs and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation as stated in the Prospectus.

Bids by Mutual Funds

Under the SEBI ICDR Regulations, at least one-third of the Anchor Investor Portion will be available for allocation to Mutual Funds only on a discretionary basis. 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 from Mutual Funds is greater than • Equity Shares, allocation shall be made to Mutual Funds on a proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Funds Portion.

Asset management companies or custodians of mutual funds shall specifically state the names of the concerned scheme for which Bids are being made.

In the case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

In accordance with current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry-specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

Bids by Eligible NRIs

Bid cum Application Form (Blue form) or the ASBA Form, as the case may be, have been made available for Eligible NRIs at the Registered Office and with members of the Syndicate and the Registrar to the Issue.

Eligible NRI Bidders should note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for Allotment under the Eligible NRI category. The Eligible NRIs who intend to make payment through the NRO Account shall use the Bid cum Application Form or the ASBA Form, as the case may be, meant for Resident Indians (white form).

Bids by FIIs

In accordance with the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII cannot exceed 10% of our post-Issue issued capital (i.e. 10% of • Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its Sub-Accounts, the investment on behalf of each Sub-Account shall not exceed 10% of our total issued equity share capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual permitted to make investments. As of now, the aggregate FII holding in us cannot exceed 24% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of our Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investor) Regulations, 1995, as amended, an FII or its Sub-Account may issue, deal or hold, off shore derivative instruments such as "Participatory Notes", equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Associates and affiliates of the Underwriters, including the BRLMs that are FIIs or its sub-account may issue offshore derivative instruments against Equity Shares allocated to them in the Issue.

Bids by SEBI-registered Venture Capital Funds and Foreign Venture Capital Investors

Under the extant law, the SEBI (Venture Capital Funds) Regulations, 1996, as amended and the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. For example, the holding by any individual VCF should not exceed 25% of the corpus of the VCF in one venture capital undertaking. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

Pursuant to the SEBI ICDR Regulations, the shareholding of SEBI-registered VCF and FVCI held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft prospectus with SEBI.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company, its Directors and officers, the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company, its Directors and officers, the BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and minimum Bid Size

- (a) **For Retail Individual Bidders:** The Bid must be for a minimum of • Equity Shares and in multiples thereof, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000.00. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000.00. Where the Bid Amount is over Rs. 100,000.00 due to revision of the Bid or revision of the Price Band or on exercise of the option to Bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option is given only to Retail Individual Bidders where the Bid Amount does not exceed Rs. 100,000.00 indicating their agreement to the Bid and to purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (b) **For Non-Institutional Bidders and QIB Bidders:** The Bid must be for a minimum of such number of Equity Shares in multiple of • Equity Shares such that the Bid Amount exceeds Rs. 100,000.00. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them under applicable laws. **Under the SEBI ICDR Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date.**
- (c) **For Bidders in the Anchor Investor Portion:** The Bid by an Anchor Investor must be for a minimum of such number of Equity Shares such that the Bid Amount is atleast Rs. 100.00 million a Bid cannot be submitted for more than 30% of the QIB Portion. For the purposes of this clause, Bids by individual schemes of Mutual Fund will be clubbed together to calculate the minimum application of Rs. 100.00 million.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000.00 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000.00 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Non-Institutional Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders are not allowed to Bid at the Cut-off Price.

Bidders are advised to make independent queries to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Refund amounts following a permitted withdrawal or rejection of a Bid shall be paid in the manner described under paragraph "Issue Procedure-Payment of Refund" on page 480.

Information for the Bidder:

1. Our Company and the Selling Shareholders will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.
2. Our Company and the Selling Shareholders, the BRLMs will declare the Bid/Issue Opening Date, 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 one Telugu newspaper, each with wide circulation in the format prescribed under the SEBI ICDR Regulations. The Floor Price is • times the face value and the Cap Price is • times the face value.
3. The members of the Syndicate will circulate copies of the Bid cum Application Form to potential Bidders respectively, and at the request of potential investors, copies of the Red Herring Prospectus will be provided. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from the Registered Office or from any of the members of the Syndicate.
4. Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Members or their authorised agent(s), as applicable to register their Bids. ASBA Bidders should approach the SCSBs to register their Bids.
5. The Bids should only be submitted on the prescribed Bid cum Application Form. Bid cum Application Forms should bear the stamp of the member of the Syndicate. Bid cum Application Forms which do not bear the stamp of a member of the Syndicate will be rejected.
6. The Price Band will be decided by our Company and the Selling Shareholders in consultation with the BRLMs at least two Working Days prior to the opening of the Issue and shall be published in all editions of • and • and the Telugu edition of •. Further, it shall also be displayed on the website of our Company, •. The Bidders can Bid at any price within the Price Band, in multiples of • Equity Shares. In accordance with the SEBI ICDR Regulations, our Company and the Selling Shareholders, in consultation with the BRLMs, and without prior intimation or approval from the Bidders, reserves the right to revise the Price Band during the Bidding/Issue Period. The cap on the Price Band will not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
7. In case the Price Band is revised, the Bidding/Issue Period shall be extended, by an additional three Working Days, subject to the total Bidding/Issue Period not exceeding 10 Business Days. The revised Price Band and Bidding/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, and by publishing in two national newspapers (one each in English and Hindi) and one Telugu newspaper, with wide circulation in the place where our Registered Office is situated and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.
8. Our Company in consultation with the BRLMs, shall finalise the Anchor Investor Allocation Price within the Price Band, without the prior approval of the Anchor Investors.
9. Our Company and Selling Shareholders in consultation with the BRLMs, shall finalise the Issue Price within the Price Band, without the prior approval of, or intimation to, the Bidders.

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 or the ASBA Form, as the case may be and entered into the electronic bidding system of the stock exchanges by the Syndicate Members 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 or the ASBA Form, as the case may be is liable to be rejected.

Method and Process of Bidding

1. Our Company along with the BRLMs shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date in the Red Herring Prospectus to be filed with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and one Telugu newspaper, each with wide circulation in the place where our Registered Office is situated. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall contain the disclosure requirements as specified under Schedule XIII of the SEBI ICDR Regulations. The BRLMs and Syndicate Members shall accept Bids from the Bidders during the Bidding/Issue period in accordance with the terms of the Syndicate Agreement.
2. The Bidding/Issue Period shall be for a minimum of three Business Days and shall not exceed seven Business Days. In case the Price Band is revised, the revised Price Band and Bidding/Issue Period shall be published in two national newspapers (one each in English and Hindi) and one Telugu newspaper, each with wide circulation and also by indicating the change on the website of the BRLMs and at the terminals of the members of the Syndicate. The Bidding/Issue Period shall be extended by an additional three Business Days, subject to the total Bidding/Issue Period not exceeding 10 Business Days.
3. Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices 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 and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.
4. The Bidder cannot Bid on another Bid cum Application Form after Bid(s) on one Bid cum Application Form has been submitted to any member of the Syndicate. Similarly, the Bidder cannot Bid on another ASBA Form after Bid(s) on one ASBA Form has been submitted to any SCSB. Submission of an additional Bid cum Application Form to either the same or to another member of the Syndicate or ASBA Form to any SCSB will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point in time before the Allotment. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed section titled "Issue Procedure -Build up of the Book and Revision of Bids" on page 467. Provided that Bids submitted by a QIB in the Anchor Investor Portion and in the Net QIB Portion will not be considered as Multiple Bids.
5. Anchor Investors should approach the BRLMs on the Anchor Investor Bidding Date to submit their Bid. Anchor Investors bidding through ASBA may also submit bids to the relevant SCSB. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
6. Except in relation to Bids received from the Anchor Investors, the members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip 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.
7. During the Bidding/Issue Period, Bidders may approach the members of the Syndicate to submit their Bids. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.
8. Along with the Bid cum Application Form (other than ASBA Bidders), as applicable, all Bidders will make payment in the manner described under the section titled "Issue Procedure -Terms of Payment and Payment into the Escrow Accounts" on page 465.

Escrow Mechanism

Escrow Accounts shall be opened with one or more Escrow Collection Banks for collection of application money. The Bidders shall draw the cheque or demand draft in respect of his or her Bid and/or revision of the Bid in favour of the payee detailed under the section titled "Issue Procedure -Payment into Escrow Accounts" on page 475. Cheques or demand drafts received for the full Bid Amount from Bidders in a particular category would be deposited in the Escrow Accounts. The Escrow Collection Banks will act in terms of the Red Herring Prospectus, the Prospectus and the Escrow Agreement. The monies in the Escrow Accounts shall be maintained by the Escrow Collection Banks for and on behalf of the Bidders. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Accounts to the Public Issue Account and the Refund Account as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established facilitate collections from the Bidders and shall be governed by the terms of the Red Herring Prospectus and the Escrow Agreement.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder (other than ASBA Bidders), shall pay the entire Bid Amount with the submission of the Bid cum Application Form, draw a cheque or demand draft in favour of the Escrow Accounts of the Escrow Collection Bank(s) (see the section titled "Issue Procedure - Payment Instructions" on page 475) and submit such cheque or demand draft to the member of the Syndicate to whom the Bid is being submitted. The Bidder may also provide the entire Bid Amount by way of an electronic transfer of funds through the RTGS mechanism. Bid cum Application Forms accompanied by cash/stockinvest/money order shall not be accepted.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Banks, which will hold the monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Accounts, as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus into the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account on the Designated Date.

In the event of Issue Price being higher than the Anchor Investor Allocation Price, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

Where the Bidder has been allocated a lesser number of Equity Shares than he or she had Bid for, the excess amount paid on Bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within ten Working Days from the Bid/Issue Closing Date, failing which our Company shall pay interest according to the provisions of the Companies Act for any delay beyond the periods as mentioned above.

Electronic Registration of Bids by Bidders other than ASBA Bidders

1. The members of the Syndicate will register the Bids using the on-line facilities of the Stock Exchanges. 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.
2. The NSE and the BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents during the Bidding/Issue Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate and SCSBs shall upload the Bids until such time as may be permitted by the Stock Exchanges.

3. The aggregate demand and price for Bids registered on electronic facilities of the NSE and the BSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres as well as on the NSE's website at www.nseindia.com and on the BSE's website at www.bseindia.com. A graphical representation of consolidated demand and price will be made available at the bidding centres during the Bidding/Issue Period.
4. On the Bid/Issue Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLMs on a regular basis. Bidders are cautioned that a high inflow of bids typically experienced on the last day of the Bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that could not be uploaded will not be considered for allocation. Bids will only be accepted on Working Days.

The Syndicate shall be responsible for any error in the Bid details uploaded by them. In case of apparent data entry error by either Syndicate member or collecting bank in entering the application number in their respective schedules other things remaining unchanged, the application may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to stock exchange(s). In the event of mistake in capturing the application number by either the Syndicate or collecting bank leading to rejection of application, the Registrar may identify based on the Bid cum Application Form or ASBA Form, as the case may be, the entity responsible for the error. Valid records in electronic file will be those for which money is received. In order that the data so captured is accurate, the Syndicate members may be permitted an additional day, post Bid/Issue Closing Date, to amend some of the data fields entered by them in the electronic bidding system.

5. At the time of registering each Bid in accordance with the SEBI circular dated April 22, 2010, the members of the Syndicate shall enter the following details of the investor in the on-line system:
 - Name of the Bidder(s). 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 the names are in the same sequence in which they appear in the Bid cum Application Form;
 - Investor category—Individual, Corporate, QIBs, Eligible NRI, FVCI, FII or Mutual Fund, etc.;
 - Numbers of Equity Shares Bid for all the options;
 - Bid price for all the options;
 - Bid cum Application Form number;
 - PAN number;
 - Cheque amount and cheque number; and
 - Depository Participant identification number and client identification number of the demat account of the Bidder.
6. A system-generated TRS will be given to the Bidder as proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or SCSBs as applicable. The registration of the Bid by the member of the Syndicate or SCSB does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate, SCSBs or our Company.
7. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

8. In the case of QIB Bidders, members of the Syndicate also have the right to accept the Bid or reject the Bid. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed in this Draft Red Herring Prospectus.
9. The permission given by the NSE and the BSE to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLMs are cleared or approved by the NSE and the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of 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.
10. It is also to be distinctly understood that the approval given by the NSE and the BSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by the NSE or the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE and the BSE.

Build up of the Book and Revision of Bids

1. Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.
2. The book gets built up at various price levels. This information will be available from the BRLMs on a regular basis.
3. During the Bidding/Issue Period, any Bidder who has registered his or her Bid 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.
4. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. The Bidder must complete the details of all the options in the Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still complete all the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
5. The Bidder can make this revision any number of times during the Bidding/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 through whom the original Bid was placed.
6. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only on such Revision Form or copies thereof.
7. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus. In the case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft or electronic transfer of funds through RTGS for the incremental amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
8. When a Bidder revises a Bid, the Bidder shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request and obtain the revised TRS, which will act as proof of revision of the original Bid.
9. Only Bids that are uploaded on the online IPO system of the NSE and the BSE shall be considered for allocation/Allotment.

Revision of Bids in case of Revision of Price Band

1. The Bidder can Bid at any price within the Price Band in multiples of Re. 1 (Rupee One). The Bidder has to Bid for the desired number of Equity Shares at a specific price.

Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding up to Rs. 100,000.00 may Bid at the Cut-off Price. However, bidding at the Cut-off Price is not permitted for QIB Bidders or Non-Institutional Bidders.

2. Retail Individual Bidders who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at the Cut-off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Accounts. In the event that the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-Off Price, such Bidder shall receive the refund of the excess amounts from the Escrow Accounts in the manner described under the section titled "Issue Procedure -Payment of Refund" on page 480.
3. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had Bid at the Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher cap of the revised Price Band (such that the total amount i.e., the original Bid Amount plus additional payment does not exceed Rs. 100,000.00 if the Bidder wants to continue to Bid at the Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000.00, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. In case of Retail Individual Bidders who do not revise the Bid or make additional payment, where the Issue Price is higher than the cap of the Price Band before revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from such Bidder and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.
4. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Accounts. In case of downward revision in the Price Band, the number of Equity Shares Bid for shall be adjusted upwards to the higher Bid lot for the purpose of Allotment.
5. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size and the Bid lot shall remain • Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000.00 to Rs. 7,000.00.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the BRLMs shall analyse the demand generated at various price levels and book built, and discuss the pricing strategy with our Company.
2. Our Company and the Selling Shareholders, in consultation with the BRLMs, shall finalise the Issue Price.
3. Allocation to Anchor Investors shall be at the discretion of our Company in consultation with the BRLMs subject to compliance with the SEBI ICDR Regulations. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion.
4. Under-subscription, if any, in any of the categories, would be allowed to be met with spill-over from any other category or combination of categories at the sole discretion of our Company and Selling Shareholders, in consultation with the BRLMs. However, if the aggregate demand by Mutual Funds is less than • Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the QIB Portion and be allotted proportionately to the QIB Bidders.
5. Allotment to Eligible NRIs, FIIs, Sub-Accounts, or Mutual Funds or FVCIs will be subject to applicable laws, rules, regulations, guidelines and approvals.

6. Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Issue in accordance with SEBI ICDR Regulations.
7. In terms of the SEBI ICDR Regulations, QIBs bidders in the Net QIB Portion shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date. Anchor Investors shall not allowed to withdraw the Anchor Investor Bid after the Anchor Investor Bidding Date.
8. Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids made by QIBs, if any, will be made at the time of submission of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing.
9. If the Issue Price is higher than the Anchor Investor Allocation Price, the additional amount shall be paid by the Anchor Investors. However, if the Issue Price is lower than the Anchor Investor Allocation Price, the difference shall not be payable to the Anchor Investors.
10. The Allotment details shall be put on the website of the Registrar to the Issue.
11. An oversubscription to the extent of 10% of this Issue can be retained for the purposed of rounding off and making Allotments in minimum lots, while finalising Basis of Allotment.

Signing of Underwriting Agreement and RoC Filing

- (a) Our Company, the BRLMs and the Syndicate Members shall enter into the Underwriting Agreement upon finalisation of the Issue Price and allocation(s)/ Allotment to the Bidders.
- (b) After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus will have details of the Issue Price, Issue Size, underwriting arrangements and will be complete in all material respects.

Filing of the Red Herring Prospectus and the Prospectus with the RoC

We will file a copy of the Red Herring Prospectus and the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to section 66 of the Companies Act, our Company shall, after receiving final observations, if any, on this Draft Red Herring Prospectus from the SEBI, publish an advertisement, in the form prescribed by the SEBI ICDR Regulations, in two circulated national newspapers (one each in English and Hindi) and Telugu newspaper, each with wide publication.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the RoC. This advertisement, among other things shall indicate the Issue Price and Anchor Investor Issue Price, if any, along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the date of the Red Herring Prospectus and the Prospectus shall be included in such statutory advertisement.

Issuance of CAN

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the BRLMs or the Registrar to the Issue shall send to the Syndicate a list of their Bidders who have been or are to be Allotted Equity Shares, pursuant to the approval of Basis of Allotment. The investor should note that our Company shall issue instructions for demat credit of Equity Shares to all successful investors in this Issue on or after the date of Allotment. For Anchor Investors, see "Notice to Anchor Investors: Allotment Reconciliation and Intimation"

- (b) The BRLMs, the members of the Syndicate or the Registrar to the Issue, as the case may be, will send a CAN to Bidders who have been or are to be Allotted Equity Shares, pursuant to the approval of the Basis of Allotment.
- (c) The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder for all the Equity Shares allotted to such Bidder.

Notice to Anchor Investors: Allotment Reconciliation and Intimation

After the Anchor Investor Bidding Date, a physical book will be prepared by the Registrar on the basis of Bid cum Application Forms received in the Anchor Investor Portion. Based on the physical book and at the discretion of the Company, the BRLMs, select Anchor Investors shall be sent an AI CAN, within two Working Days of the Anchor Investor Bidding Date, indicating the number of Equity Shares that are allocated to them. The AI CAN shall constitute the valid, binding and irrevocable contract for the Anchor Investor to pay the entire Anchor Investor Issue Price for all the Equity Shares allocated to such Anchor Investor. This AI CAN and the final allocation will be subject to (a) physical application being valid in all respects along with stipulated documents being received by the Registrar to the Issue and (b) Allotment by the Board of Directors. In the event the Issue Price is fixed higher than the Anchor Investor Allocation Price, a written intimation shall be sent to Anchor Investors to pay such additional amounts being the excess of the Issue Price over the Anchor Investor Allocation Price, for the shares allocated to the Anchor Investors on or before such date as specified in the intimation which shall in no event be later than two days after the Bid/Issue Closing Date.

Designated Date and Allotment

- (a) Our Company will ensure that the Allotment is done within 9 Working Days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Accounts to the Public Issue Account and the Refund Account on the Designated Date, our Company will ensure the credit to the depository account(s) of successful Bidder(s) within 2 days of the Allotment.
- (b) As per section 68B of the Companies Act, Allotment of the Equity Shares will be only in dematerialised form to the allottees.
- (c) Successful Bidders 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 to them pursuant to this Issue.

GENERAL INSTRUCTIONS

DOs:

- (a) Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of the Red Herring Prospectus;
- (b) Ensure that you Bid within the Price Band;
- (c) Read all the instructions carefully and complete the Bid cum Application Form or the ASBA Form, as the case may be;
- (d) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be Allotted in dematerialised form only;
- (e) Ensure that you have collected a TRS for all your Bid options;
- (f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- (g) Each of the Bidders, should mention their PAN allotted under the IT Act;

- (h) Ensure that the Depository Participant identification number, client identification number of your demat account and PAN mentioned in the Bid cum Application Form or the ASBA Form, as the case may be and entered into the electronic bidding system of the stock exchanges by the Syndicate Members match with the Depository Participant identification number, client identification number of the demat account of the Bidder, and PAN available in the Depository database;
- (i) Except for Bids (i) on behalf of the Central or State Government and the officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Bidders should mention their PAN allotted under the I.T. Act. Applications in which the PAN is not mentioned will be rejected;
- (j) Ensure that the name(s) given in the Bid cum Application Form or the ASBA Form, as the case may be, is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. Where the Bid cum Application Form or the ASBA Form, as the case may be, 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 or the ASBA Form, as the case may be; and
- (k) Ensure that the Demographic Details (as defined in the section titled “Issue Procedure – Bidder’s Depository Account and Bank Account Details” on page 473) are updated, true and correct in all respects.

DON'Ts:

- (a) Do not Bid for lower than the minimum Bid size;
- (b) Do not submit Bid without payment of the entire Bid Amount;
- (c) Do not Bid or revise Bid to a price that is less than the Floor Price or higher than the Cap Price;
- (d) Do not Bid on another Bid cum Application Form or the ASBA Form, as the case may be, after you have submitted a Bid to the members of the Syndicate;
- (e) Do not pay the Bid amount in cash, postal order, or by stockinvest;
- (f) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate;
- (g) Do not Bid at the Cut-off Price (for QIB Bidders and Non-Institutional Bidders);
- (h) Do not Bid such that such that the number of Equity Shares Bid for exceeds the Issue Size and/or the investment limit or the maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;
- (i) Do not Bid at Bid Amount exceeding Rs. 100,000.00 for in case of a Bid by a Retail Individual Bidder; and
- (j) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bids and Revisions of Bids for all Bidders

Bids and revisions of Bids must be:

1. Made only on the prescribed Bid cum Application Form or Revision Form, as applicable (white, or blue).
2. Made in a single name or in joint names (not more than three, and in the same order as their Depository

Participant details).

3. Completed in full, in BLOCK LETTERS in English and in accordance with the instructions contained herein, on the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.
4. Bids from the Retail Individual Bidders must be for a minimum of • Equity Shares and in multiples of • Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.00.
5. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000.00 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 does not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws and regulations.
6. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bids by Anchor Investors

The Company may consider participation by Anchor Investors in the QIB Portion for up to • Equity Shares in accordance with the applicable SEBI ICDR Regulations. Only QIBs as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not otherwise excluded pursuant to item 10(k) of Part A of Schedule XI of the SEBI ICDR Regulations are eligible to invest. The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

1. Bid cum Application Form have been made available for Bids under the Anchor Investor Portion at our Registered Office, with the members of the Syndicate.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds Rs. 100.00 million and in multiples of • Equity Shares thereafter. A Bid cannot be submitted for more than 30% of the QIB Portion.
3. One-third of the Anchor Investor Portion shall be reserved for allocation to domestic mutual funds.
4. The Bidding for Anchor Investors shall open one Working Day before the Bid/Issue Opening Date and shall be completed on the same day.
5. The Company in consultation with the BRLMs, shall finalise Allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of Allottees.
6. Allocation to Anchor Investors shall be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLMs before the Bid/Issue Opening Date.
7. Anchor Investors are required to pay the entire Bid Amount at the time of submission of the Bid cum Application Form. In case the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price shall be paid by the Anchor Investors by the Pay-in-Date. In the event the Issue Price is lower than the Anchor Investor Allocation Price, the Allotment to Anchor Investors shall be at the higher price i.e. the Anchor Investor Allocation Price and this shall constitute the Anchor Investor Issue Price.
8. The Equity Shares allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment in the Issue.
9. None of BRLMs nor any person related to the BRLMs or Promoters, Promoter Group shall participate in the Anchor Investor Portion.

10. Bids made by Anchor Investors under both the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
11. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - (i) In case of resident Anchor Investors: “Escrow Account – IBPIL Public Issue – Anchor Investor”
 - (ii) In case of non-resident Anchor Investors: “Escrow Account - IBPIL Public Issue – Anchor Investor – NR”

The minimum number of Allottees in the Anchor Investor Portion shall not be less than:

- (a) two, where the allocation under Anchor Investor Portion is up to Rs. 2,500.00 million; and
- (b) five, where the allocation under Anchor Investor Portion is more than Rs. 2,500.00 million.

Additional details, if any, regarding participation in the Issue under the Anchor Investor Portion shall be disclosed in the advertisement for the Price Band which shall be taken out by the Company in a national English and Hindi newspaper and a Telugu news daily at least two Working Days prior to the Bid/Issue Opening Date.

The Red Herring Prospectus, in so far as it relates to terms of the Issue should be read in conjunction with the aforesaid paragraphs, to the extent applicable.

Bidder’s Depository Account and Bank Account Details

Bidders should note that on the basis of Depository Participant identification number and beneficiary account number registered in the electronic book file, the Registrar to the Issue will obtain from the Depository, demographic details of the Bidders such as their address, PAN, occupation and bank account details (hereinafter referred to as “Demographic Details”) for printing on refund orders or giving credit through ECS, RTGS or Direct Credit. 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 credit of refunds to Bidders at the Bidders’ sole risk and neither the BRLMs nor our Company, its Directors and officers, nor the Selling Shareholders nor the Registrars to Issue shall have any responsibility or undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details on the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALIZED 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 ON THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IF THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND SUCH JOINT NAMES ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR ON 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 or the ASBA Form, as the case may be and entered into the electronic bidding system of the stock exchanges by the Syndicate Members 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 or the ASBA Form, as the case may be is liable to be rejected.

These Demographic Details will be used for all correspondence with the Bidders including mailing of the refund orders/ECS credit for refunds/direct credit of refund/CANs/AI CAN/allocation advice/NEFT or RTGS for refunds and printing of Company particulars on the refund order. The Demographic Details given by Bidders in the Bid cum Application Form will not be used for any other purposes by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder will be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice/CAN/AI CAN would be mailed to the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure re-dispatch of refund orders. Please note that any such delay shall be at the Bidder's sole risk and neither our Company, its Directors and officers, nor the Selling Shareholders, nor Escrow Collection Banks, nor the BRLMs, nor the Registrar to the Issue shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or pay any interest for such delay. **In case of refunds through electronic modes as detailed in this Draft Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars or the MICR code obtained from the Depository Participant are incorrect or incomplete.**

Bids by Non-Residents, including Eligible NRIs, FIIs and FVCIs on repatriation basis

Bids and revision to the Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).
3. Eligible NRIs for a Bid Amount of up to Rs. 100,000.00 would be considered under the Retail Portion for the purposes of allocation and for a Bid Amount of more than Rs. 100,000.00 would be considered under Non-Institutional Portion for the purposes of allocation. Other Non-Resident Bidders must Bid for a minimum of such number of Equity Shares in multiples of • that the Bid Amount exceeds Rs. 100,000.00. For further details, see the section titled "Issue Procedure - Maximum and Minimum Bid Size" on page 462.
4. In the names of individuals, or in the names of FIIs, FVCIs, etc but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE Accounts, details of which are received from the Depositories as part of the demographic details of the First Bidder/ sole Bidder. Our Company, its Directors and officers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non-Residents, including Eligible NRIs, FIIs and FVCIs and all Non-Residents will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the GoI, OCBs cannot participate in this Issue.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/or bye laws must be lodged along with the Bid cum Application Form as applicable. Failing this, our Company and the Selling Shareholders reserve the right to reject such Bids in whole or in part without assigning reasons thereof. Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company/the BRLMs may deem fit without assigning reasons thereof.

In case of the Bids made pursuant to a power of attorney by FIIs, FVCIs, VCFs and Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject such Bid in whole or in part without assigning reasons thereof.

Bids made by Insurance Companies

In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserves the right to reject such Bids in whole or in part without assigning reasons thereof.

Bids made by Provident Funds

In case of the Bids made by provident funds, subject to applicable law, with minimum corpus of Rs. 250.00 million and pension funds with minimum corpus of Rs. 250.00 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

PAYMENT INSTRUCTIONS

Escrow Accounts shall be opened with the Escrow Collection Banks for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue. Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Accounts

1. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the entire Bid Amount in favour of the Escrow Account(s) and submit the same to the member of the Syndicate. Bid cum Application Forms accompanied by cash, stockinvest, money order or postal order shall not be accepted.

3. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the entire Bid Amount in favour of the Escrow Accounts and submit the same to the members of the Syndicate. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:
 - (a) In the case of Resident QIB Bidders: “Escrow Account—IBPIL—Public Issue—QIB-R”.
 - (b) In the case of Non-Resident QIB Bidders: “Escrow Account—IBPIL—Public Issue—QIB-NR”.
 - (c) In the case of Resident Retail and Non-Institutional Bidders: “Escrow Account—IBPIL—Public Issue—R”.
 - (d) In the case of Non-Resident Retail and Non-Institutional Bidders: “Escrow Account—IBPIL—Public Issue—NR”.
 - (e) In the case of Resident Anchor Investors: “Escrow Account – IBPIL Public Issue – Anchor Investor”
 - (f) In case of Non-Resident Anchor Investors: “Escrow Account – IBPIL Public Issue Anchor Investor - NR”

4. In the event of Issue Price being higher than the Anchor Investor Allocation Price, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the Anchor Investor Allocation Price and the Issue Price. If the Issue Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

5. In the case of Bids by Eligible NRIs applying on a repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or 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 NRO Account of the Non-Resident Bidder bidding on a repatriation basis. Payment by draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a NRE Account or a FCNR Account.
5. In the case of Bids by Eligible NRIs applying on a non-repatriation basis, the payments can be made out of an NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis.
6. In case of Bids by FIIs and FVCIs the payment should be made out of funds held in a special rupee account along with documentary evidence in support of the remittance. Payment by draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a special rupee account.
7. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on Bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account.
8. The monies deposited in the Escrow Accounts will be held for the benefit of the Bidders until the Designated Date.
9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus into the Public Issue Account.
10. No later than ten Working Days from the Bid/Issue Closing Date, the Issuer shall complete steps to refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.
11. **Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/stockinvest/money orders/postal orders will not be accepted.**
12. Bidders are advised to mention the number of application form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.
13. In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

Payment Instructions for Anchor Investors

1. Anchor Investors are required to pay the entire Bid Amount at the time of submission of the Bid cum Application Form by drawing a cheque or demand draft for the entire Bid Amount in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the member of the Syndicate to whom the Bid cum Application Form is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted.
2. In case the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price shall be paid by the Anchor Investors by the Pay-in-Date. In the event the Issue Price is lower than the Anchor Investor Allocation, the Allotment to Anchor Investors shall be at the higher price i.e. the Anchor Investor Allocation Price, and this shall constitute the Anchor Investor Issue Price.

3. Our Company in consultation with the BRLMs in their absolute discretion, shall decide the list of Anchor Investors to whom the AI CAN shall be sent, pursuant to which the details of the Equity Shares allocated to them and the details of the amounts payable, if any for allotment of such Equity Shares in their respective names shall be notified to such Anchor Investors.

Payment by Stockinvest

Under the terms of the RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Accordingly, payment through Stockinvest will not be accepted in this Issue.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Forms or Revision Forms. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in 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 will be made in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

PAN of the first / sole bidder (as registered with the depositories) shall be the sole criterion to identify multiple bids.

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.

Permanent Account Number

Except for Bids on behalf of the Central or State Government, residents of Sikkim 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 ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. The exemption to residents of Sikkim is subject to the Depository Participants verifying the veracity of the claim of the investors that they are residents of Sikkim by collecting sufficient documentary evidence in support of their address.

Any Bid cum Application Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

Right to reject Bids by our Company

In case of QIB Bidders, our Company and the Selling Shareholders, in consultation with the BRLMs, may reject Bids provided that the reason for rejecting the Bid shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company and the Selling Shareholders will have a right to reject Bids based on technical grounds only. Consequent refunds shall be made as described in this Draft Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on, *inter alia*, the following technical grounds:

1. Amount paid is less than the amount payable for the highest value of Equity Shares Bid for;
2. Bid submitted without payment of the entire Bid Amount;
3. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
4. Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors and insane persons;
5. PAN not stated, or GIR number furnished instead of PAN;
6. Bids for lower number of Equity Shares than specified for that category of investors;
7. Bids at a price less than the lower end of the Price Band;
8. Bids at a price more than the higher end of the Price Band;
9. Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
10. Bids for a number of Equity Shares, which are not in multiples of ●;
11. Category not ticked;
12. Multiple Bids;
13. In the case of a Bid under power of attorney or by limited companies, corporates, trusts etc., relevant documents are not submitted;
14. Bids accompanied by money order/postal order/cash;
15. Signature of sole and/or joint Bidders missing;
16. Bid cum Application Form does not have the stamp of the BRLMs or the Syndicate Members;
17. Bid cum Application Form does not have the Bidder's depository account details;
18. 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 or the ASBA Form, as the case may be and entered into the electronic bidding system of the stock exchanges by the Syndicate Members 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;
19. Bid is not registered within the time prescribed and as per the instructions in the Bid cum Application Form;

20. In case no corresponding record is available with the Depositories that matches two parameters, namely, the Depository Participant's identity (DP ID) and the beneficiary account number;
21. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
22. Bids by QIBs (except ASBA Bidders) not submitted through members of the Syndicate and/or their Affiliates;
23. Bids by OCBs;
24. Bids by U.S. residents excluding "Qualified Institutional Buyers" as defined in Rule 144A under the Securities Act or other than in reliance on Regulation S under the Securities Act;
25. Bids by persons who are not eligible to acquire Equity Shares under any applicable law, rule, regulation, guideline or approval, inside India or outside India;
26. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
27. Bids by any person outside India if not in compliance with applicable foreign and Indian Law;
28. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
29. Bids not uploaded in the Book;
30. Bids or revision thereof by QIB Bidders and Non – Institutional Bidders where the Bid amount is in excess of Rs. 100,000.00, uploaded after 4.00 p.m or any such time as prescribed by Stock Exchange on the Bid/Issue Closing Date;
31. Bids which do not comply with securities laws at their specific jurisdictions.

Equity Shares in Dematerialised form with NSDL or CDSL

As per the provisions of section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialised form (i.e., not in the form of physical certificates but fungible statements issued in electronic mode).

In this context, two tripartite agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- (a) an agreement dated October 26, 2009 among NSDL, our Company and the Registrar to the Issue; and
- (b) an agreement dated May 20, 2010 among CDSL, our Company and the Registrar to the Issue.

Bidders will be allotted Equity Shares only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

1. A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.
2. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing on the Bid cum Application Form and Revision Form.
3. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

4. Names in the Bid cum Application Form, Bid Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.
5. If incomplete or incorrect details are given under the heading ‘Bidders Depository Account Details’ in the Bid cum Application Form or Bid Revision Form, it is liable to be rejected.
6. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form or vis-à-vis those recorded with his or her Depository Participant.
7. 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.
8. The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

COMMUNICATIONS

All future 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 or ASBA number, details of the beneficiary account, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or SCSB where the Bid was submitted and cheque or draft number and issuing bank thereof.

PAYMENT OF REFUND

Bidders should note that on the basis of the, Depository Participant identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidder’s bank account details including a nine digit MICR code. 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 credit of refunds to Bidders, as the case may be, at the Bidder’s sole risk and neither our Company, its Directors and officers, the Selling Shareholders, the Syndicate Members, the Escrow Collection Banks, the BRLMs nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

Mode of making refunds

The payment of refund, if any, would be done through various modes, not necessarily in the following order of preference:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following 68 centres: Ahmedabad, Bangalore, Bhubaneswar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories.

2. NEFT - Payment of refund may be undertaken through NEFT wherever the applicants' bank branch has been assigned the Indian Financial System Code, which can be linked to a MICR code, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR code of the Bidder's bank. Wherever the applicants have registered the nine digit MICR code of the branch of the bank where they are having their account and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method. It is observed that the payment through this mode is successful, if the correct account number has been registered with the depository participant. It is also observed that a number of banks, particularly in the public sector, have assigned a new multi digit account number as a consequence to the implementation of centralised core banking solution in the branches.
3. Direct Credit—Applicants having their bank account with the Refund Banker shall be eligible to receive refunds, if any, through direct credit. Charges, if any, levied by the Refund Bank(s) for the same will be borne by our Company.
4. RTGS—Where the refund amount exceeds Rs. 1.00 million, the same shall be remitted through RTGS provided the bidder has registered the nine digit of their branch with their DP and that for the corresponding micr code an IFSC code is available as per RBI web site. Charges, if any, levied by the applicant's bank receiving the credit will be borne by the applicant.
5. For all the other applicants, including applicants who have not updated their bank particulars along with the nine-digit MICR Code, the refund orders will be dispatched "Under Certificate of Posting" for refund orders of value up to Rs. 1,500.00 and through Speed Post/Registered Post for refund orders of Rs. 1,500.00 and above. Refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banker(s) which shall be 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.

Interest on refund of excess Bid Amount

Our Company shall pay interest at the rate of 15% p.a. on the excess Bid Amount received if refund orders are not dispatched within 10 Working Days or if instructions to SCSBs are not issued for unblocking ASBA Accounts within eight Working Days of the Bid/Issue Closing Date for any delay beyond such ten Working Day time period.

DISPOSAL OF APPLICATIONS AND APPLICATIONS MONEY AND INTEREST IN CASE OF DELAY

Our Company shall ensure dispatch of Allotment advice, transfer advice or refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within ten Working Days of the Bid/Issue Closing Date. Our Company shall dispatch refunds above Rs. 1,500.00, if any, by registered post or speed post at the sole or first Bidder's sole risk, except for refunds through the ECS facility or RTGS or Direct Credit.

Our Company shall use its best efforts to ensure that all steps for completion of the necessary formalities for Allotment and trading at the Stock Exchanges where the Equity Shares are proposed to be listed are taken within five Business Days of the finalisation of the Basis of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI ICDR Regulations, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form, including the credit of Allotted Equity Shares to the beneficiary accounts of the Depository Participants, within nine days of the Bid/Offer Closing Date;

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within ten Working Days of the Bid/Offer Closing Date would be ensured. With respect to the ASBA Bidders' instructions for unblocking of the ASBA Bidder's bank account shall be within eight Working Days from the Bid/Offer Closing Date; and
- Our Company shall pay interest at 15% p.a. for any delay beyond the ten Working Day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within nine Working Days from the day the Company becomes liable to repay (i.e. 10 days after the Bid/Offer Closing Date or the date of refusal by the Stock Exchange(s), whichever is earlier). If such money is not repaid within eight days from the day the Company becomes liable to repay, the Company, the Selling Shareholders and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under sub section (2) and (2A) of section 73 of the Companies Act.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Save and except for refunds effected through the electronic mode, i.e., ECS, NEFT, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as a Refund Banker which shall be 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.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

“Any person who:

- (a) *makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
- (b) *otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,*

shall be punishable with imprisonment for a term which may extend to five years”.

ALLOTMENT

Basis of Allotment

A. For Retail Individual Bidders

- Bids received from Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.
- The Issue Size less Allotment to Non-Institutional Bidders and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this portion are less than or equal to • Equity Shares at or above the Issue Price, full Allotment shall be made to Retail Individual Bidders to the extent of their valid Bids.

- If the valid Bids in this portion are greater than • Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis of not less than • Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue Size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this portion are 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 valid Bids.
- If the valid Bids in this portion are greater than • Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis of not less than • Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate Basis of Allotment, refer below.

C. For QIB Bidders in the Net QIB Portion

- Bids received from QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for allocation 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 Net QIB Portion shall be determined as follows:
 - (i) If Bids from Mutual Funds exceed 5% of the Net QIB Portion, allocation to Mutual Funds shall be made on a proportionate basis in multiples of one Equity Share up to 5% of the Net QIB Portion.
 - (ii) If the aggregate demand from Mutual Funds is less than 5% of the Net QIB 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 to QIB Bidders as set out in (b) below.
 - (b) In the second instance allocation to all QIBs bidding in the Net QIB Portion shall be determined as follows:
 - (i) In the event of an oversubscription in the Net QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be Allotted Equity Shares on a proportionate basis of not less than • Equity Shares and in multiples of one Equity Share thereafter for up to 95% of the Net 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 of not less than • Equity Shares and in multiples of one Equity Share thereafter along with other QIB Bidders.

- (iii) Under-subscription below 5% of the Mutual Fund Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

The BRLMs, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI ICDR Regulations. The drawing of lots (where required) to finalise the Basis of Allotment shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

In the event of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the same of Equity Shares in the Offer of Sale.

Procedure and Time of Schedule for Allotment and demat Credit of Equity Shares

The Issue will be conducted through a “Book Building Process” pursuant to which the members of the Syndicate will accept Bids for the Equity Shares during the Bidding/Issue Period. The Bidding/Issue Period will commence on •, 2010 and expire on •, 2010. Following the expiration of the Bidding/Issue Period, our Company and the Selling Shareholders, in consultation with the BRLMs, will determine the Issue Price. Our Company and Selling Shareholders in consultation with the BRLMs will determine the Basis of Allotment based on the Bids received and subject to confirmation by the Designated Stock Exchange. The SEBI ICDR Regulations require our Company to complete the Allotment to successful bidders within 9 working days of the expiration of the Bidding/Issue Period. The Equity Shares will then be credited to the investors’ demat accounts maintained with the relevant Depository Participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence within 12 working days of expiration of the Bid/Issue Closing Period.

Method of proportionate Basis of Allotment

In the event the Issue is oversubscribed, the Allotment shall be as per the Basis of Allotment approved by the Designated Stock Exchange. The executive director or managing director of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the Basis Of Allotment is finalised in a fair and proper manner. Allotment to Bidders 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 by them.
- (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 oversubscription ratio.
- (c) The number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the oversubscription ratio.
- (d) If the proportionate Allotment to a Bidder is a number that is more than • but is not a multiple of one (which is the market lot), the decimal will be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it will be rounded off to the lower whole number. Allotment to all Bidders in such categories shall be arrived at after such rounding off.
- (e) In all Bids where the proportionate Allotment is less than • Equity Shares per Bidder, the Allotment shall be made as follows:
 - Each successful Bidder shall be Allotted a minimum of • Equity Shares; and
 - The successful Bidders out of the total Bidders for a portion shall be determined by the drawing of lots in a manner such that the total number of Equity Shares Allotted in that category is as far as possible equal to the number of Equity Shares calculated in accordance with (c) above; and

- (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 portion, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance of Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for the minimum number of Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds (“MF”)

Issue details

Particulars	Issue details
Issue size	200 million Equity Shares
Allocation to QIB (50%)	100 million Equity Shares
Of which:	
a. Reservation For Mutual Funds, (5%)	5 million Equity Shares
b. Balance for all QIBs including Mutual Funds	95 million Equity Shares
Number of QIB applicants	10
Number of Equity Shares applied for	500 million Equity Shares

Details of QIB Bids

S. No.	Type of QIBs	No. of shares bid for (in million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
11.	Total	500

* A1-A5: (QIBs other than Mutual Funds), MF1-MF5 (QIBs which are Mutual Funds) Details of Allotment to QIBs Applicants

Type of QIB	Shares bid for	Allocation of 5% Equity Shares	Allocation of 95% Equity Shares	Aggregate allocation to Mutual Funds
(I)	(II)	(III)	(IV)	(V)
<i>(Number of equity shares in million)</i>				
A1	50	0	9.60	0
A2	20	0	3.84	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1	7.48	8.48
MF2	40	1	7.48	8.48
MF3	80	2	14.97	16.97
MF4	20	0.5	3.74	4.24
MF5	20	0.5	3.74	4.24
	500	5	95	42.41

Notes:

- The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section titled “Issue Structure” on page 455.
- Out of 100 million equity shares allocated to QIBs, 5 million (i.e. 5.0%) will be allocated on proportionate basis among 5 mutual fund applicants who applied for 200 shares in QIB category.

3. The balance 114 million Equity Shares i.e., 120 - 6 (available for Mutual Funds only) will be Allotted on a proportionate basis among 10 QIB Bidders who applied for 500 million Equity Shares (including 5 Mutual Fund applicants who applied for 200 million Equity Shares).
4. The balance 95 million equity shares (i.e. 100 - 5 (available for mutual funds)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 equity shares (including 5 mutual fund applicants who applied for 200 equity shares).
5. The figures in the fourth column titled "Allocation of balance 95.00 million equity shares to QIBs proportionately" in the above illustration are arrived as under:
 - For QIBs other than mutual funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 95 / 495
 - For mutual funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less equity shares allotted (i.e., column III of the table above)] X 95/495
 - The numerator and denominator for arriving at allocation of 95.00 million equity shares to the 10 QIBs are reduced by 5 million shares, which have already been allotted to mutual funds in the manner specified in column III of the table above.

Undertakings by the Selling Shareholders:

Each Selling Shareholder undertakes the following in respect of itself:

- that the Equity Shares being sold pursuant to the Offer for Sale, have been held by them for a period of at least one year from the date of this Draft Red Herring Prospectus and that the Equity Shares being sold pursuant to the Offer for Sale are free and clear of any liens and encumbrances, and shall be transferred to the successful Bidders within the specified time;
- that the Selling Shareholders shall not have recourse to the proceeds of the Offer for Sale until the approval for the trading of the Equity Shares from the Stock Exchanges has been received;
- that complaints received in respect of this Issue shall be dealt with expeditiously and satisfactorily;
- that it shall be ensured that dispatch of share certificates/refund orders and demat credit is completed and the allotment and listing documents shall be submitted to the Stock Exchanges within two Business Days of the date of Allotment;
- that the 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 Selling Shareholders;
- that the refund orders or Allotment advice to the Non-Resident Bidders shall be dispatched within the specified time;
- that adequate arrangements shall be made to collect all ASBA Forms and all ASBA shall be considered similar to other applications while finalising the Basis of Allotment; and
- that they shall pay interest of 15% per annum (for any delays beyond ten Working Days) if allotment has not been made within 9 Working Days and refund orders have not been dispatched within 10 Working Days.

Undertakings by our Company

Our Company undertakes as follows:

- that complaints received in respect of this Issue shall be dealt with expeditiously and satisfactorily. Our Company has authorised our Company Secretary as the Compliance Officer to redress all complaints, if any, of the investors participating in this Issue;

- that it shall be ensured that dispatch of share certificates/refund orders and demat credit is completed and the allotment and listing documents shall be submitted to the Stock Exchanges within two Business Days of the date of Allotment;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed within five Working Days of finalisation of the Basis of Allotment;
- that our Company shall apply in advance for the listing of Equity Shares;
- that the 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 our Company;
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within ten Working Days of the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that the promoter's contribution in full, wherever required, shall be brought in advance before the Issue opens for the public subscription;
- that the refund orders or Allotment advice to the Non-Resident Bidders shall be dispatched within the specified time;
- no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus and the Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.;
- that adequate arrangements shall be made to collect all ASBA Forms and all ASBA shall be considered similar to other applications while finalising the Basis of Allotment; and
- that we shall pay interest of 15% per annum (for any delays beyond ten Working Days) if allotment has not been made within 9 Working Days and refund orders have not been dispatched within 10 Working Days.

The Board of Directors certifies 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 section 73(3) of the Companies Act;
- details of all monies utilised out of the Fresh Issue shall be disclosed under an appropriate heading in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Fresh Issue, if any, shall be disclosed under the appropriate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested; and
- our Company shall not have recourse to the proceeds of the Fresh Issue until the final listing and trading approvals from the Stock Exchanges have been obtained.

ISSUE PROCEDURE FOR ASBA BIDDERS

SEBI has recently introduced a new mode of payment in public issues i.e., application supported by blocked amount wherein the application money remains in the ASBA Account until allotment in the public issue. Mode of payment through ASBA became effective on September 1, 2008. Further on April 06, 2010, SEBI further amended the procedure through ASBA applicable to all issues which shall open after May 01, 2010. Since this is a new mode of payment, set forth below is the procedure for bidding under the ASBA procedure, for the benefit of the Bidders.

This section is only to facilitate better understanding of aspects of the procedure for bidding which is specific to ASBA Bidders. ASBA Bidders should nonetheless read this document in entirety

Our Company, its Directors and officers, the Selling Shareholders, the BRLMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Form is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSBs for the ASBA are provided at <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSB collecting the ASBA Form, please refer the above mentioned SEBI link.

ASBA Process

A Bidder can submit his bid through as ASBA Form either in physical or electronic mode to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder is maintained. The SCSB shall block an amount equal to the Bid Amount in the ASBA Account specified in the ASBA Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the ASBA Bid. The ASBA Bid data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the allocated Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. Once the Basis of Allotment is finalised, the Registrar to the Issue shall send an appropriate request to the Controlling Branch for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Who can Bid?

In accordance with the SEBI ICDR Regulations, any Bidder can submit its application through ASBA process to Bid for the Equity Shares of the Company.

ASBA Form

An ASBA Bidder shall use the ASBA Form obtained from the Designated Branches for the purpose of making an ASBA Bid in terms of the Red Herring Prospectus. ASBA Bidders are required to submit their bids under the Issue, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form at the Designated Branch. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. For further information on how to complete ASBA Forms, see the section titled "Issue Procedure- Instructions for Completing the ASBA Form" on page 494.

- After determination of the Issue Price, the number of Equity Shares Bid for by the ASBA Bidders will be considered for allocation along with the other Bidders who have Bid for the Equity Shares at or above the Issue Price or at the Cut-off Price.
- In the ASBA Form, the ASBA Bidder shall, *inter alia*, give the following confirmations/declarations:
 - (i) That he/she is an ASBA Bidder as per the SEBI ICDR Regulations;
 - (ii) That he/she has authorised the SCSBs to do all acts as are necessary to make an application in the Issue, upload his/her Bid, block or unblock the funds in the ASBA Account and transfer the funds from the ASBA Account to the Public Issue Account after finalisation of the Basis of Allotment entitling the ASBA Bidder to receive Equity Shares in the Issue etc.; and
 - (iii) That he/she has authorised the Registrar to the Issue to issue instructions to the SCSBs to unblock the funds in the ASBA Account upon finalisation of the Basis of Allotment and to transfer the requisite money to the Public Issue Account.

- An ASBA Bidder cannot bid under the Issue, either in physical or electronic mode, on another ASBA Form or Bid cum Application Form after bidding on one ASBA Form either in physical or electronic mode. Submission of a second ASBA Form to either the same or another Designated Branch or a Bid cum Application to the Syndicate will be treated as multiple Bid and will be liable to be rejected either before entering the Bid into the electronic Bidding System, or at any point of time prior to the Allotment of Equity Shares in the Issue.
- Upon completing and submitting the ASBA Form to the Designated Branch, 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 ASBA Bidder.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of • Equity Shares and in multiples of • Equity Shares thereafter. The ASBA Bid in case of Retail Individual Investors cannot exceed Rs. 100,000.00.

Information for the ASBA Bidders:

1. Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.
2. Our Company, the BRLMs will declare the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with the RoC and also publish the same two national newspapers (one each in English and Hindi) and one Telugu newspaper with wide circulation. The Price Band and the Minimum Bid Size will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs and advertised by our Company at least two Working Days prior to the Bid/Issue Opening Date.
3. ASBA Bidders who would like to obtain the Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches. ASBA Bidders can also obtain a copy of the Red Herring Prospectus and/or the ASBA Form in electronic form on the websites of the SCSBs.
4. The ASBA Bids should be submitted to the SCSBs on the prescribed ASBA Form if applied in physical mode. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account. For further information on how to complete ASBA Forms, see the section titled “Issue Procedure -Instructions for Completing the ASBA Form” on page 494.
5. In accordance with the SEBI ICDR Regulations, our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding/Issue Period. In case of revision, the cap on the Price Band will not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
6. Our Company and the Selling Shareholders, in consultation with the BRLMs, shall finalise the Issue Price within the Price Band, without the prior approval of, or intimation to, the ASBA Bidders.
7. Our Company and the Selling Shareholders, the BRLMs shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date in the Red Herring Prospectus to be filed with the RoC and also publish the same in two circulated national newspapers (one each in English and Hindi) and one Telugu newspaper, each with wide circulation in the place where our Registered Office is situated. The Price Band and the Minimum Bid Size will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs and advertised by our Company at least two Working Days prior to the Bid/Issue Opening Date. This advertisement, subject to the provisions of section 66 of the Companies Act, shall contain the disclosure requirements as specified under Schedule XIII of the SEBI ICDR Regulations. The SCSBs shall accept ASBA Bids from the ASBA Bidders during the Bidding/Issue Period.

8. The Bidding/Issue Period shall be for a minimum of three Business Days and shall not exceed 10 Business Days. In case the Price Band is revised, the revised Price Band and Bidding/Issue Period will be published in two national newspapers (one each in English and Hindi) and one Telugu newspaper, each with wide circulation and also by indicating the change on the website of the BRLMs, and at the terminals of the members of the Syndicate. The Bidding/Issue Period shall be extended by an additional three Business Days, subject to the total Bidding/Issue Period not exceeding 10 Business Days.

Mode of Payment

Upon submission of an ASBA Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch to block the Bid Amount in the ASBA Account.

ASBA Form should not be accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account.

SCSBs shall block the Bid Amount in the ASBA Account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment or withdrawal/failure of the Issue or withdrawal/failure of the ASBA Bid, as the case may be. In the event the ASBA Account does not have a sufficient credit balance for the Bid Amount, the ASBA Bid shall be rejected by the SCSB and no funds shall be blocked in the that ASBA Account.

On the Designated Date, the SCSBs shall unblock and transfer the Bid Amount from the ASBA Account for successful Bids into the Public Issue Account and the balance amount, if any, shall be unblocked.

Electronic Registration of Bids

Upon receipt of the ASBA Form, the Designated Branch shall register and upload the Bid. **The BRLMs, our Company, the Selling Shareholders and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Bids accepted by SCSBs, Bids uploaded by SCSBs, Bids accepted but not uploaded by SCSBs or Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.**

At the time of registering each Bid, the Designated Branches shall enter the information pertaining to the investor into the online system, including the following details:

- Application number;
- Permanent account number;
- Number of Equity Shares Bid for all the options;
- Bid price for various options;
- Depository participant identification No.; and
- Client identification number of the Bidder's beneficiary account.

In case of electronic ASBA Form, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchanges.

A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches.** The registration of the Bid by the Designated Branch does not guarantee that the Equity Shares Bid for shall be Allocated to the ASBA Bidders. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bidding/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches shall upload the Bids till such time as may be permitted by the Stock Exchanges.

Build up of the book and revision of Bids

1. Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.
2. The book gets built up at various price levels. This information will be available with the BRLMs, the Stock Exchanges and the Designated Branches of the SCSBs on a regular basis.
3. During the Bidding/Issue Period, any ASBA Bidder who has registered his/ her or its interest in the Equity Shares at a particular price level is free to revise his/ her or its Bid within the Price Band using the printed ASBA Revision Form, which is a part of the ASBA Form. Revisions can be made in both the desired number of Equity Shares and the Bid Amount (including the price per Equity Share) by using the ASBA Revision Form. Apart from mentioning the revised options in the revision form, the ASBA Bidder must also mention the details of all the options in his/ her or its ASBA Form or earlier ASBA Revision Form. For example, if an ASBA Bidder has Bid for three options in the ASBA Form and he is changing only one of the options in the ASBA Revision Form, he is required to fill in the details of the remaining two options that are not being revised, in the ASBA Revision Form. The SCSB will not accept incomplete or inaccurate Revision Forms.
4. The ASBA Bidder can make this revision any number of times during the Bidding/Issue Period. However, for any revision(s) in the Bid, the ASBA Bidders will have to use the services of the same Designated Branch of the SCSB with whom he/she or it holds the bank account. ASBA Bidders are advised to retain copies of the ASBA Revision Form and the revised Bid must be made only in such ASBA Revision Form or copies thereof.
5. Any revision of the Bid shall be accompanied by an instruction to block the incremental amount on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be unblocked by the SCSB.
6. When an ASBA Bidder revises his/her or its Bid, he/she or it shall surrender the earlier TRS and get a revised TRS from the SCSBs. **It is the responsibility of the ASBA Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
7. The SCSBs shall provide aggregate information about the numbers of ASBA Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue. Further the decision of the Registrar to the Issue in consultation with the BRLMs, our Company and the Selling Shareholders and the Designated Stock Exchange, in this regard shall be final and binding.
8. Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

Unblocking of ASBA Account

Once the Basis of Allotment is finalised, the Registrar to the Issue shall send an appropriate request to the Controlling Branches for unblocking the ASBA Accounts and for the transfer of requisite amount to the Public Issue Account. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or withdrawal or rejection of the ASBA Bid, as the case may be.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA along with the demand generated by other Bidders to determine the demand generated.
2. Our Company and the Selling Shareholders, in consultation with the BRLMs, shall finalise the Issue Price.
3. Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment, without assigning any reason thereof.

Interest in Case of Delay in Dispatch of Allotment Letters/ Refund Orders or Instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI ICDR Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialised form within nine Working Days from the Bid/Issue Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or ECS, shall be done within ten Working Days from the Bid/Issue Closing Date;
- Instructions to the SCSBs to unblock funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful Bids shall be made within eight Working Days of the Bid/Issue Closing Date;
- SCSBs shall unblock funds in the relevant ASBA Account for withdrawn/rejected/unsuccessful Bids within nine working days of the Bid/Issue Closing Date;
- They shall pay interest at 15% p.a. if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within ten Working Days from the Bid/Issue Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within ten Working Days of the Bid/Issue Closing Date.

The SCSBs will unblock funds in the ASBA Accounts to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

Our Company shall not have recourse to the Issue proceeds until the approvals for trading of the Equity Shares has been received from the Stock Exchanges.

Filing of the Red Herring Prospectus and the Prospectus with the RoC

We will file a copy of the Red Herring Prospectus and the Prospectus with the RoC in terms of sections 56, 60 and 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to section 66 of the Companies Act, our Company shall, after receiving final observations, if any, on this Draft Red Herring Prospectus from the SEBI, publish an advertisement, in the form prescribed by the SEBI ICDR Regulations, in two national newspapers (one each in English and Hindi) and one Telugu newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company 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 along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the date of the Red Herring Prospectus and the Prospectus shall be included in such statutory advertisement.

Issuance of CAN

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send the Controlling Branches, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue, along with:
- The number of Equity Shares to be allotted against each successful ASBA;
 - The amount to be transferred from the ASBA Account to the Public Issue Account, for each successful ASBA;
 - The date by which the funds referred to in sub-para (ii) above, shall be transferred to the Public Issue Account; and
 - The details of rejected ASBAs, if any, along with reasons for rejection and details of withdrawn/ unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective ASBA Accounts.

Investors should note that our Company shall ensure that the instructions by our Company for demat credit of the Equity Shares to all investors in this Issue shall be given on the same date; and

- (b) The ASBA Bidders shall directly receive the CANs from the Registrar. The dispatch of a CAN to an ASBA Bidder shall be deemed a valid, binding and irrevocable contract with the ASBA Bidder.

Allotment of Equity Shares

- Our Company will ensure that the Allotment of Equity Shares is done within nine Working Days of the Bid/Issue Closing Date. After the funds are transferred from the ASBA Accounts to the Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two Business Days from the date of Allotment.
- As per the SEBI ICDR Regulations, Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

DO's:

1. Check if you are eligible to Bid under ASBA.
2. Ensure that you use the ASBA Form specified for the purposes of ASBA.
3. Read all the instructions carefully and complete the ASBA Form.
4. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.
5. Ensure that your ASBA Form is submitted at a Designated Branch, with a branch of which the ASBA Bidder or a person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or the Selling Shareholders or the Registrar to the Issue or the BRLMs.
6. Ensure that the ASBA Form is signed by the account holder in case the applicant is not the account holder.
7. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form.
8. Ensure that you have funds equal to the number of Equity Shares Bid for at the Cap Price available in your ASBA Account before submitting the ASBA Form to the respective Designated Branch.

9. Ensure that you have correctly checked the authorisation box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Form in your ASBA Account maintained with a branch of the concerned SCSB.
10. Ensure that you receive an acknowledgement from the Designated Branch for the submission of your ASBA Form.
11. Ensure that you have mentioned your PAN.
12. Ensure that the name(s) given in the ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA 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 Form.
13. Ensure that the Demographic Details are updated, true and correct, in all respects.

DON'Ts:

1. Do not bid for lower than the minimum Bid size.
2. Do not Bid on another ASBA Form or on a Bid cum Application Form after you have submitted a Bid to a Designated Branch.
3. Payment of Bid Amounts in any mode other than blocked amounts in the ASBA Accounts, shall not be accepted under the ASBA.
4. Do not send your physical ASBA Form by post; instead submit the same to a Designated Branch.
5. Do not submit the GIR number instead of the PAN Number.

INSTRUCTIONS FOR COMPLETING THE ASBA FORM

1. Bids through ASBA must be made only in the prescribed ASBA Form (if submitted in physical mode) or electronic mode.
2. The ASBA Bid may be made in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
3. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein and in the ASBA Form.
4. The Bids must be for a minimum of • Equity Shares and in multiples of • Equity Shares thereafter.
5. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
6. ASBA Bidders should correctly mention the ASBA Account number in the ASBA Form and ensure that funds equal to the Bid Amount are available in the ASBA Account before submitting the ASBA Form to the respective Designated Branch.
7. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the account holder as provided in the ASBA Form.
8. ASBA Bidders should correctly mention their DP ID and Client ID in the ASBA Form. For the purpose of evaluating the validity of Bids, the Demographic Details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Form.

ASBA Bidder's Depository Account and Bank Details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALIZED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE ASBA FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE ASBA FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA FORM.

ASBA Bidders should note that on the basis of Depository Participant's identification number and beneficiary account number, the Registrar to the Issue will obtain from the Depository, Demographic Details of the ASBA Bidders including address. Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/allocation advice would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/allocation advice may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches, the members of the Syndicate, our Company, the Selling Shareholders or the Registrar to the Issue shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

ASBA Bids under Power of Attorney

In case of an ASBA Bid pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right to reject such Bids. Our Company and the Selling Shareholders, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Form, subject to such terms and conditions that we, in consultation with the BRLMs may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

ASBA Bidders are entitled to revise their Bids. They can withdraw their Bids during the Bidding/Issue Period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.

In case the ASBA Bidder, other than a QIB bidding through an ASBA Form, wishes to withdraw the Bid after the Bid/Issue Closing Date, the same can be done by submitting a withdrawal request by the ASBA Bidder 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 finalisation of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid. Two or more Bids either through ASBA process or regular bid-cum-application form will be deemed to be multiple Bids if the sole or first Bidder is the same. However, not more than five Bid cum Application Form can be made from an ASBA Account.

Permanent Account Number

The ASBA Bidder 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. **Applications without this information will be considered incomplete and are liable to be rejected by the SCSBs.** It is to be specifically noted that ASBA Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

RIGHT TO REJECT ASBA BIDS

The Designated Branches shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the ASBA Account, the respective Designated Branch ascertains that sufficient funds are not available in the ASBA Account.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

Grounds for Technical Rejections under the ASBA Process

ASBA Bidders are advised to note that Bids under the ASBA Process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Application on plain paper or on split form;
2. 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;
3. Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors and insane persons;
4. Amount mentioned in the ASBA Form does not tally with the amount payable for the value of Equity Shares Bid for;
5. PAN not stated, or GIR number furnished instead of PAN;
6. Bids for number of Equity Shares, which are not in multiples of ●;
7. Authorisation for blocking funds in the ASBA Account not ticked or provided;
8. Multiple Bids as described in this Draft Red Herring Prospectus;
9. In case of Bid under power of attorney, relevant documents are not submitted;
10. Signature of sole and/or joint Bidders missing in case of ASBA Forms submitted in physical mode;
11. ASBA Form does not have the Bidder's depository account details;
12. ASBA Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Form and the Red Herring Prospectus;

13. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account;
14. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number; and

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Form, name and address of the Designated Branch where the ASBA Bid was submitted and bank account number of the ASBA Account, with a copy to the relevant SCSB. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or willful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held.

ASBA Bidders can contact the Compliance Officer, the Designated Branch where the ASBA Form was submitted, or the Registrar to the Issue in case of any pre or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number of the ASBA Account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI ICDR Regulations, we undertake that:

- Allotment and transfer shall be made only in dematerialised form within nine Working Days from the Bid/Issue Closing Date;
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made; and
- Our Company shall pay interest at 15% p.a. for any delay beyond the ten Working Day period mentioned above, if Allotment is not made and/or demat credits are not made to investors within the time period prescribed above or if instructions to SCSBs to unblock ASBA Accounts are not issued within nine Working Days of the Bid/Issue Closing Date.

Undertaking by our Company

With respect to the ASBA Bidders, our Company undertakes that adequate arrangements shall be made to collect all ASBA Forms and ASBA Bidders shall be considered similar to other Bidders while finalising the Basis of Allotment.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the “**Securities Act**”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act in transactions exempt from the registration requirements of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with 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 and the BRLM 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.

SECTION XI: MAIN PROVISIONS OF OUR ARTICLES OF ASSOCIATION

Our Company entered into an agreement dated October 21, 2009 (“**Original Investment Agreement**”) with (i) K. Raghu Ramakrishna Raju, K. Rama Devi, Marubhoomi Consultants Private Limited, Silicon Valley Infotech Limited, Toplight Tradelinks Private Limited, Noble Power Private Limited, Network Power Private Limited, Boston Teknowsys (India) Limited, K. Rama Chandra Rao, Ind-Barath Commodities Limited, Vamsi Industries Limited, B. Rama Krishna, Chintalapati Holdings Private Limited, Deccan Cigarette Centre Private Limited, Bhaskara Transport Private Limited, Sriba Seabase Private Limited, (ii) Sequoia, (iii) Bessemer, (iv) CVC Investors; and (v) UTI (for the purpose of the Original Investment Agreement, Sequoia, Bessemer the CVC Investors and UTI are collectively referred to as the “**Investors**”). Thereafter our Company executed an amendment to the Original Investment Agreement by agreement dated May 31, 2010 with Raghu Ramakrishna Raju, K. Rama Devi, Sriba Seabase Private Limited, K. Bharat, Nethu Soft Private Limited, NTC Advisors Private Limited and Fouress Consultants Private Limited, Sequoia, Bessemer, CVC Investors and UTI (“**Amendment Agreement**”). For the purposes of this section, the Original Investment Agreement and Amendment Agreement are referred to as the “**Agreement**”). The Agreement sets out certain rights of the Investors, including their right to information, matters on which the Investors have an affirmative vote, preemptive and anti dilution rights and their right to nominate directors on our Board. The Articles have been appropriately modified at Chapter II of the Articles to reflect these provisions. As per the Agreement (and as stated at Chapter II of the Articles), Chapter II of the Articles, without further act or deed, will cease to be effective on and from the date of filing of the Prospectus and subsequent to determination of the Issue Price. For further details, see “History and certain corporate matters – Material Agreements” on page 217.

Pursuant to Schedule II of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares/debentures and/or on their consolidation/splitting, as applicable on and from the date of the Prospectus subsequent to the determination of the Issue Price, are detailed below.

The Regulations contained in Table A of the First Schedule of the Act (as defined below) shall not apply to the Company (as defined below) to the extent modified or excluded by these Articles (as defined below). The regulations for the management of the Company and the observance of the Shareholders (as defined below) and their representatives shall, subject to any exercise of the Company’s power to modify, alter, delete or add to its regulations, as prescribed by the Act, be such as are contained in these Articles.

- (1) In these present regulations, the following words and expressions shall have the following meanings, unless excluded by the subject or context;
 - (a) “**Act**” means the Companies Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force and reference to a Section of the Act shall be deemed to mean and include reference to any Section enacted in modification or replacement thereof.
 - (b) “**Articles**” means these Articles of Association as amended, altered or modified from time to time.
 - (c) “**Beneficial Owner**” means a person whose name is recorded as such with a depository.
 - (d) “**Board**” means the board of directors of the Company, as constituted from time to time in accordance with these Articles.
 - (e) “**Bye-Laws**” means Bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.
 - (f) “**Company**” means Ind-Barath Power Infra Limited, a public limited company incorporated under the Act.
 - (g) “**Depositories Act**” means the Depository Act, 1996, including any statutory modifications or re-enactment for the time being in force.

- (h) “**Depository**” means a Company formed and registered under the Act and which has been granted a Certificate of Registration under the Securities and Exchange Board of India Act 1992.
 - (i) “**Director**” means a member of the Board appointed in accordance with these Articles, including any additional and/or alternate director. “**General Meeting**” means a general meeting of the Shareholders of the Company, whether an annual general meeting or an extraordinary general meeting.
 - (j) “**Member**” or “**Shareholder**” means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as beneficial owner in the records of the depository.
 - (k) “**Participant**” means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.
 - (l) “**Record**” includes the records maintained in form of books or stored in a computer or in such other form as may be determined by the Regulations issued by the Securities and Exchange Board of India in relation to the Depository Act, 1996.
 - (m) “**Registrar of Companies**” means the Registrar of Companies of the state in which the registered office of the Company is for the time being situated.
 - (n) “**Registered Owner**” means a depository whose name is entered as such in the records of the Company.
 - (o) “**SEBI**” means the Securities and Exchange Board of India.
 - (p) “**Security**” means such security as may be specified by the Securities and Exchange Board of India from time to time.
 - (q) “**Shares**” mean all classes of shares in the Capital of the Company or any class thereof, as the case may be, and includes any and all the rights conferred on a person by the ownership of such Shares.
- (2) Words imparting the singular number only includes the plural number and vice versa.
 - (3) Words imparting persons include corporations.
 - (4) Words and expressions used and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meaning respectively assigned to them in that Act.

CAPITAL

(5) *Authorised Share capital*

The authorised Share capital of the Company shall be as specified from time to time in Clause V of the Memorandum of Association. The Share capital of the Company shall comprise equity Shares and/or preference Shares of such amount as may be determined by the Company, from time to time, with power to increase, reduce, sub-divide or to repay the same or divide the same into several classes and to attach thereto any rights and to consolidate or re-organise the Shares, and subject to Section 106 of the Act, to vary such rights as may be determined in accordance with the regulations of the Company.

(6) *Shares at the disposal of the Directors*

Subject to the provisions of Section 81 of the Act and these Articles, the Shares 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 provisions of Section 79 of the Act) at a discount and at such time as it may from time to time deem fit and with the sanction of the Company in a General

Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors deem fit, and may issue and allot Shares on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid-up Shares and if so issued, shall be deemed to be fully paid-up Shares. Provided that the option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in a General Meeting.

(7) *Restrictions on Allotment*

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.

(8) *Increase of capital*

The Company may, at a General Meeting, from time to time, by an Ordinary Resolution, increase its Share 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. The new Shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto, as the resolution shall prescribe, and in particular, such Shares may be issued subject to the Articles, with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right to vote at a General Meeting in conformity with Section 87 of the Act. Unless otherwise stated, all new Shares of the same class shall rank pari passu with existing Shares of the same class. Whenever the capital of the Company has been increased under the provisions of this Article, the Board shall comply with the provisions of Section 97 of the Act.

(9) *Reduction of Share capital*

Subject to the applicable provisions of the Act, the Company may, at a General Meeting, from time to time, by special resolution, reduce in any manner for the time being authorised by Applicable Law, its Share capital, Capital Redemption Reserve Account or Share Premium Account, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise.

(10) *Sub-division and consolidation of Shares*

Subject to the provisions of Section 94 of the Act, the Company may, at a General Meeting, from time to time, by an ordinary resolution, consolidate, subdivide or cancel its Shares in the following manner:

- (a) consolidate and divide all or any of its Share capital into Shares of larger amount than its existing Shares;
- (b) sub-divide its Shares, or any of them, into Shares of smaller amount, such that the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived, 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; or
- (c) cancel any Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share capital by the amount of the Shares so cancelled. Cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of the Share capital within the meaning of the Act.

Whenever the Company shall do any one or more of the things provided for in this Article, the Company shall, within thirty (30) days thereafter give notice thereof to the Registrar of Companies specifying, as the case may be, the Shares consolidated, divided, sub-divided or cancelled.

- (11) Except in so far as otherwise provided as existing capital by the conditions of issue or by these Articles, any capital raised by the creation of new Shares, shall be considered as part of the existing Share 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.
- (12) To the extent that the Company is permitted by Applicable Law to issue non-voting Shares or Shares which have rights attached thereto different from the rights attached to equity Shares or any other kind, class or type of Shares, the Company may, if so authorised by the resolution of the Shareholders under Section 81(1A) of the Act, and other relevant provisions of the Act, issue such Shares upon such terms and conditions and with such rights and privileges attached thereto as thought fit and as may be permitted by Applicable Law.

(13) *Power to issue preference shares*

Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue or reissue preference Shares in one or more series which are liable to be redeemed / convertible and the resolution authorising such issue shall prescribe the manner, terms and conditions of such redemption.

(14) *Further Issue of shares*

(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares then:

- (a) Such further Shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those Shares at that date;
- (b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
- (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub- clause (b) hereof shall contain a statement of this right;
- (d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.

(2) Notwithstanding anything contained in sub clause (a) the further Shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to In clause (i) of sub-clause (a) hereof) in any manner whatsoever:

- (a) If a special resolution to that effect is passed by the Company in General Meeting.
- (b) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved In that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board in this behalf, that the proposal is most beneficial to the Company.

- (3) Nothing in sub-clause (c) of (1) hereof shall be deemed:
- (i) To extend the time within which the offer should be accepted; or
 - (ii) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.
- (4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans by the Company:
- (i) To convert such debentures or loans into Shares in the Company; or
 - (ii) To subscribe for Shares in the Company.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans Include a term providing for such option and such term:

- (A) Either has been approved by the Central Government before the issue of 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 or 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 the special resolution passed by the Company in General Meeting before the issue of the loans.

(15) *Rights to convert loans into capital*

Notwithstanding anything contained in sub-clauses(s) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into Shares or to subscribe for Shares in the Company.

(16) *Allotment on application to be acceptance of Shares*

Any application signed by or on behalf of an applicant for Shares in the Company followed by an allotment of any Share therein, shall be an acceptance of Shares within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is on the Register of Members, shall, for the purpose of these Articles, be a Shareholder.

(17) *Restrictions on Allotment*

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.

(18) *Money due on Shares to be a debt to the Company*

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.

(19) *Shareholders or heirs to pay unpaid amounts:*

Every Shareholder or his heir's executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

SHARE CERTIFICATES

(20) (1) *Limitation of time for issue of certificates; Register of Members*

- (a) Each Shareholder shall be entitled, without payment, to one or more certificates in marketable lot, for all the Shares of each class or denomination registered in the name of such Shareholder, or if the Directors approve (upon paying such fee as the Board may from time to time determine), to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within three (3) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one (1) month of the receipt of an application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares, as the case may be.
- (b) Every certificate of Shares shall be under the seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Board may prescribe or approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be required to issue more than one certificate and delivery of a certificate of Shares to one of several joint holders shall be sufficient delivery to all such holders.
- (c) Notwithstanding anything contained herein, the Company shall be entitled to dematerialise, pursuant to the provisions of the Depositories Act, its Shares, debentures and other Securities, and offer Securities for subscription in dematerialised form.
- (d) The Company shall be entitled to maintain Register of Members with the details of Shareholders holding Shares in physical form or in any media as permitted by Applicable Law including any form of electronic media. The Register of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be the Register of Members.
- (e) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of Shares or whose name appears as the Beneficial Owner of Shares in the records of the Depository as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as required by Applicable Law) be bound to recognise any benami trust or equity or equitable, contingent or other claim or interest in such Share on the part of any other person whether or not it, shall have express or implied notice thereof.
- (f) The Company shall be entitled to maintain in any State or country outside India a branch register of Shareholders or debenture holders resident in that State or country.

(21) *Joint ownership of Shares*

Any two or more joint allottees of shares shall be treated as a single Shareholder.

(22) *Issue of new certificates in place of defaced, lost or destroyed certificate*

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares, then upon production and surrender of the relevant share certificates to the Company, new certificates may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding Rs. 2.00 (Rupees Two) for each certificate) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contract (Regulation) Act, 1956 or any other Act or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to any Securities of the Company.

(23) *Renewal of Share Certificate*

When a new share certificate has been issued in pursuance of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of share certificate No ___ sub-divided/replaced on consolidation of shares.

When a new certificate has been issued in pursuance of clause (d) of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is duplicate issued in lieu of share certificate No. ___. The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate and when a new certificate has been issued in pursuance of clauses (c), (d), (e) and (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against it, the names of the persons to whom the certificate is issued, the number and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" column.

All blank forms, share certificates shall be printed only on the authority of a resolution duly passed by the Board.

(24) *Rules to issue share certificates*

The rules under "The Companies (Issue of Share Certificate) Rules, 1960 shall be complied with in the issue, reissue, renewal of share certificates and the format sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the said rules. The Company shall keep ready share certificates for delivery within 2 months after allotment.

(25) *Responsibilities to maintain records*

The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates.

(26) *Rights of joint holders*

If any share stands in the names of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of the shares be deemed the sole holder thereof but the joint holders of share shall be severally as well as jointly liable for payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

(27) *Commission on issue of Shares*

- (1) Subject to the terms of Section 76 of the Act, the Company may exercise the powers of paying commissions on issue of Shares.
- (2) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in one way and partly in the other.
- (3) The Company may also, on any issue, of Shares, pay such brokerage as may be lawful.

LIEN

(28) *Company's lien on Securities*

The Company shall have a first and paramount lien upon all the Securities (other than fully paid-up Securities) registered in the name of each Security holder (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Securities and no equitable interest in any Security shall be created except upon the basis and condition that this Article will have full effect. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such Securities. Unless otherwise agreed, the registration of a transfer of Securities shall operate as a waiver of the Company's lien if any, on such Securities. The Board may at any time declare any Securities wholly or in part to be exempt from the provisions of this Article.

CALLS ON SHARES

(29) *Board to have right to make calls on Shares*

- (1) The Board may, from time to time, make calls upon the Shareholders in respect of any moneys unpaid on the Shares held by them by a resolution passed at a meeting of the Board (and not by circular resolution).
- (2) Each Shareholder shall pay to the Company, at the time or times and place so specified, the amount called on such Shareholder's Shares.
- (3) A call may be made payable by installments, or revoked or postponed at the discretion of the Board.

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.

(30) *Notice for call*

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.

(31) *Liability of joint holders for a call*

The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

(32) *Calls to carry interest*

- (1) If a sum called in respect of a Share is not paid before or on the day appointed or payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at five percent (5%) per annum or at such lower rate, if any, as the Board may determine.
- (2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

(33) *Dues deemed to be calls*

- (1) Any sum which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, such sum becomes payable.
- (2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

(34) *Proof of dues in respect of Shares*

On any trial or hearing of any action or suit brought by the Company against any Shareholder or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it shall be sufficient to prove (i) that the name of the Shareholders in respect of whose shares the money is sought to be recovered appears entered in the Register of Members as the holder, at or subsequent to the date on which the money sought to be recovered is alleged to have become due on the shares, (ii) that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives pursuant to these Articles, and (iii) it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

(35) *Partial payment not to preclude forfeiture*

Neither a judgment nor a decree in favour of the Company, for call or other moneys due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall, from time to time be due from any Shareholder to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.

(36) *Payment in anticipation of call may carry interest*

The Board:

- (1) may, if it thinks fit, receive from any Shareholder willing to advance the same, all or any part of the moneys uncalled and unpaid upon any Shares held by such Shareholder; and
- (2) upon all or any of the moneys so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be determined by the Shareholders in General Meeting but shall not in respect thereof confer a right to dividend or participate in profits.

FORFEITURE OF SHARES

(37) *Board to have right to forfeit Shares*

If a Shareholder fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on such Shareholder requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

(38) *Notice for forfeiture of Shares*

The notice aforesaid shall:

- (1) name a further day (not earlier than the expiration of fourteen days from the date of notice) on or before which and place where the payment required by the notice is to be made; and
- (2) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made will be liable to be forfeited.

(39) *Effect of forfeiture*

If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

- (40) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

(41) *Forfeited Shares to be the property of the Company*

- (1) 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.
- (2) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

(42) *Shareholder to be liable even after forfeiture*

- (1) A person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys together with interests thereon from time to time which, at the date of forfeiture, were presently payable by him to the Company in respect of the Shares.
- (2) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the Shares.

(43) *Claims against the Company to extinguish on forfeiture*

The forfeiture of a share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

(44) *Evidence of forfeiture*

A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

(45) *Effecting sale of Shares*

The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed of. The transferee shall thereupon be registered as the holder of the Share. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall such transferee's title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

(46) *Certificate of forfeited Shares to be void*

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder) stand cancelled and become null and void and have no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

TRANSFER AND TRANSMISSION OF SHARES

(47) *Register of transfers*

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares.

(48) *Form or Instrument of Transfer*

- (1) The instrument of transfer shall be in writing and the provisions of Section 108 of the Act in respect of transfer of all Shares and registration thereof shall be duly complied with.
- (2) In the case of transfer of Shares or other marketable Securities where the Company has not issued any certificates and where such Shares or Securities are being held in an electronic form, the provisions of the Depositories Act shall apply.

(49) *Board may refuse to register transfer*

Subject to the provisions of Section 111A of the Act and other applicable provisions of the Act or any other Applicable Law, 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 Securities. The Company shall, within one (1) month from the date on which the instrument of transfer was lodged with the Company or the intimation of such transmission, as the case may be, send to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving notice of the refusal to register such transfer giving reasons for such refusal, provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person(s) indebted to the Company on any account whatsoever except when the Company has a lien on the Shares. Transfer of Shares or debentures shall not be refused solely for the reason that the relevant Shares or debentures are not in marketable lots.

(50) *Transfer of partly paid Shares*

Where in the case of partly paid shares, an application for registration is to be made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

(51) *Survivor of joint holders recognised*

In case of the death of any one or more persons named in the Register of Members as the joint-holders of any shares, the survivors shall be the only person recognised by the Company as having any title to or interest in such share but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

(52) *Transfers not permitted*

No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind, except fully paid shares through a legal guardian.

(53) *Share Certificates to be surrendered*

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in Section 108) properly stamped and executed instrument of transfer.

(54) *Form or Instrument of Transfer*

(1) The instrument of transfer shall be in writing and the provisions of Section 108 of the Act in respect of transfer of all Shares and registration thereof shall be duly complied with.

(2) In the case of transfer of Shares or other marketable Securities where the Company has not issued any certificates and where such Shares or Securities are being held in an electronic form, the provisions of the Depositories Act shall apply.

(55) *No fee on transfer or transmission*

No fee shall be charged for registration of transfers, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.

(56) *Company not liable to notice of equitable rights*

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the board shall so think fit.

(57) *Dematerialisation Of Securities*

(a) *Company to recognise interest in dematerialised securities under the Depositories Act, 1996.*

Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a depository in Electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

(b) *Dematerialisation/Re-Materialisation of Securities*

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, re-materialise its securities held in Depositories and/or offer its fresh securities in the de-materialised form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

(c) *Option to receive security certificate or hold securities with depository*

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.

(d) *Securities in electronic form*

All securities held by a Depository shall be dematerialised and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187 B, 187 C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

(e) *Beneficial owner deemed as absolute owner*

Except as ordered by the Court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holders of any share or whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any *benami*, trust equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(f) *Rights of depositories and beneficial owners*

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a Shareholder. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

(g) *Register and index of beneficial owners*

The Company shall cause to be kept a Register and Index of Shareholders in accordance with all applicable provisions of the Act and the Depositories Act, 1996 with details of shares and debentures held in physical and dematerialised forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of Shareholders for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Shareholders resident in that State or Country.

(h) *Cancellation of certificates upon surrender by person*

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the depository as the Registered owner in respect of the said securities and shall also inform the Depository accordingly.

(i) *Service of documents*

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(j) *Allotment of securities*

Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

(k) *Transfer of securities*

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of any share held in material form. Nothing contained in these Articles shall apply to transfer of securities held in depository.

(l) *Distinctive number of securities held in a depository*

The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the share of the Company which are in dematerialised form. Except in the manner provided under these Articles, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

(m) *Provisions of articles to apply to shares held in depository*

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act, 1996.

(n) *Depository to furnish information*

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

(o) *Option to opt out in respect of any such security*

If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

(p) *Overriding effect of this article*

Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles .

(58) *Nomination Facility*

- (1) Every holder of shares, or holder of debentures of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall rest in the event of his death.
- (2) Where the shares in or debentures of the Company or held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall rest in the event of death of all the joint holders.
- (3) Notwithstanding any thing contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debentures holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debenture of the Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.
- (4) Where the nominee is a minor it shall be lawful for the holder of shares or debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or debentures of the Company in the event of his death in the event of minority of the nominee.
- (5) Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every Shareholder at his request within seven days of the request on payment of such sum as may be prescribed.

(59) *Buy back of Shares*

The Company may buy back any number of its issued and outstanding Shares and any other Securities, subject to such limits, upon such terms and conditions and subject to such approvals as may be required by Applicable Law.

SHARE WARRANTS

(60) *Right to issue share warrants*

The Company may issue share warrants subject to, and in accordance with, the provisions of Sections 114 and 115 of the Act. The Board may in its discretion, with respect to any Share which is fully paid-up, on application in writing signed by the person registered as holder of the Share, and authenticated by such evidence (if any) as the Board may from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) with respect to the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a Share warrant.

(61) *Rights of warrant holders*

1. The bearer of a Share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of two (2) clear days from the time of deposit, as if the depositor's name were inserted in the Register of Members as the holder of the Shares included in the deposited warrant.

2. Not more than one person shall be recognised as the depositor of the Share warrant.
 3. The Company shall, on two (2) days' written notice, return the deposited Share warrant to the depositor.
- (62) (1) Except as herein otherwise expressly provided, no person shall, as bearer of a Share warrant, sign a requisition for calling a meeting of the Shareholders of the Company, or attend, or vote or exercise any other privilege of a Shareholder at a meeting of the Shareholders, or be entitled to receive any notices from the Company.
- (2) The bearer of a Share warrant shall be entitled in all other respects to the same privileges and advantages as if such person were named in the Register of Members as the holder of the Shares included in the warrant, and such person shall be a Shareholder.

(63) *Board to make rules*

The Board may, from time to time, make rules as to the terms on which (if it deems fit) a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

GENERAL MEETINGS

(64) *Annual General Meeting*

Annual General Meeting of the Company shall be held once in every calendar year within six (6) months after the expiry of each financial year subject however to power of the Registrar of Companies to extend the time within which meeting can be held for a period not exceeding 3 months and subject thereto, not more than 15 months shall elapse from the date of one General Meeting and that of the next.

(65) *Extraordinary General Meeting*

All General Meetings other than the annual general meeting shall be called extraordinary General Meetings. 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.

(66) *Notice for General Meeting*

Subject to Sections 190 and 219 of the Act, any General Meeting may be called by giving to the Shareholders not less than twenty one (21) days notice or a shorter notice than twenty one (21) days if consent thereto is given by the Shareholders in accordance with the provisions of Section 171 of the Act.

(67) *Shorter Notice admissible*

With the consent of all the Shareholders entitled to vote, at an Annual General Meeting or with the consent of the Shareholders holding 95 percent of such part of the paid-up share capital of the Company as gives a right to vote thereat, any general meeting may be convened by giving a shorter notice than twenty one days.

(68) *Extraordinary Meetings on requisition*

The Board shall on, the requisition of Shareholders convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 169 of the Act.

(69) *Special and Ordinary Business*

- (1) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of sanctioning of dividend, the consideration of the accounts, balance sheet and the reports of the Directors and Auditors, the election of Directors in place of those retiring by rotation and the appointment of and the fixing up of the remuneration of the auditors.
- (2) In case of special business as aforesaid, an explanatory statement as required under Section 173 of the Act shall be annexed to the notice of the meeting.

(70) *Quorum for General Meeting*

The quorum for a General Meeting shall be the presence in person of at least five (5) Shareholders and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

(71) *Time for Quorum and adjournment*

If within half an hour from the time appointed for holding a meeting of the Company a quorum is not present, the General Meeting shall be adjourned by the Shareholders present for a period of seven (7) calendar days. If a quorum in accordance with the above requirement is not present at two (2) consecutive meetings, the third meeting shall proceed irrespective of such requirement. Notwithstanding the foregoing, if within half an hour from the time appointed for holding a meeting called by requisition of the Shareholders a quorum is not present, such General Meeting called by requisition of the Shareholders shall stand dissolved.

(72) *Chairman of General Meeting*

The Chairman of the Board shall act as the Chairman of the General Meetings. In the absence of the Chairman of the Board, the Directors present shall choose another Director to act as Chairman, and if no Director is also present at the meeting, or if none of the Directors present at the meeting is willing to act as the Chairman, the Shareholders present shall choose one of their Shareholders to act as the Chairman of such meeting.

- (73) At any General Meeting, a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll (before or on the declaration of the result of the show of hands) is demanded in accordance with the provisions of the Act. Unless a poll is so demanded, a declaration by the Chairman that such resolution has, on a show of hands, been carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without requirement of any proof of the number or proportion of the votes cast in favour of or against that resolution.

(74) *Decision by Poll*

- (1) If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.
- (2) Any business other than that upon which a poll has been demanded may proceed, pending the taking of the poll.

(75) *Poll to be immediate*

- (1) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand as the Chairman of the meeting directs.

- (2) A demand for a poll shall not prevent the continuance of a Meeting of the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn.

(76) *Postal Ballot*

Subject to, and in accordance with, the provisions of the Act, the Company may, and in case of resolutions relating to such matters as the Central Government may, by notification, require to be conducted only by Postal Ballot, shall, get such resolutions passed by means of a Postal Ballot, instead of transacting the business in a General Meeting.

(77) *Vote of Shareholders*

- (1) On a show of hands, every Shareholder holding equity Shares and present in person shall have one (1) vote.
- (2) On a poll, each Shareholder shall have voting rights in proportion to its share of the paid-up equity share capital.
- (3) On a poll, a Shareholder having more than one vote, or its proxy or other person entitled to vote for such Shareholder need not vote all its votes in the same way.

Notwithstanding the foregoing, no Shareholder shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by such Shareholder in respect of Shares held by such Shareholder have been paid.

(78) *Voting by joint holders*

In the case of joint holders the vote of the first named of such joint holder who tenders a vote whether in person or proxy shall be accepted to the exclusion of the votes of other joint holders.

(79) *Proxy*

On a poll, votes may be given either personally or by proxy.

(80) *Instrument of Proxy*

- (1) The instrument appointing a proxy shall be in writing under the hand of the appointer or of the appointer's attorney duly authorised in writing or, if the appointer is a company, either under its common seal or under the hand of its attorney duly authorised in writing. Any person, whether or not such person is a Shareholder of, may be appointed as a proxy.
- (2) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company not less than forty eight (48) hours prior to the time fixed for the meeting in question, failing which the instrument of proxy shall be invalid.

(81) *Form of Proxy*

The form of proxy shall be a two way proxy, as given in Schedule IX of the Act, enabling the Shareholders to vote for/against any resolution.

(82) *Validity of Proxy*

A vote given under the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal, or the revocation of the proxy, or of the authority under which the proxy was executed, or transfer of the Shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its registered office before the commencement of the meeting, or adjourned meeting, at which the proxy is used.

(83) *Corporate Shareholders*

Any corporation which is a Shareholder may, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could have exercised if it were an individual Shareholder.

DIRECTORS AND OFFICERS

(84) *Number of Directors*

Unless otherwise determined by the Company in a General Meeting, and subject to the provisions of the Act, the Board shall consist of at least three (3) Directors but no more than twelve (12) Directors or such maximum number of Directors as may be prescribed in the Act.

(85) *Qualification Shares*

It shall not be necessary for any Director to hold any qualification Shares in the Company.

(86) *Casual Vacancy*

If a Director appointed by the Company in a General Meeting vacates office as a Director before such Director's term of office will expire in the normal course, the resulting casual vacancy may be filled by the Board, at a meeting of the Board, but any person so appointed shall retain office only for so long as the vacating Director would have remained in office.

(87) *Additional Directors*

The Board shall have power at any time, and from time to time, to appoint one or more persons as additional directors ("Additional Directors") provided that the number of Directors and Additional Directors together shall not exceed the maximum number specified in Article (87). An Additional Director so appointed shall hold office up to the date of the next Annual General Meeting and shall be eligible for re-election by the Company at that meeting.

(88) *Alternate Directors*

In the event that a Director (an "Original Director") is absent for a continuous period of not less than three (3) months from the state in which the meetings of the Board are ordinarily held, the Board shall appoint another Director (an "Alternate Director") for and in place of the Original Director. The Alternate Director shall vacate office if and when the Original Director returns to the state in which meetings of the Board are ordinarily held. Upon the appointment of the Alternate Director, the Company shall ensure compliance with the provisions of the Act, including filing of necessary forms with the Registrar of Companies. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director's absence. If the term 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.

(89) *Directors' Fees*

- (1) The Directors may, subject to applicable restrictions if any, under Applicable Law, be remunerated separately for the performance of special or executive duties approved from time to time by the Board.
- (2) Notwithstanding anything contained herein, the non-executive Directors shall be paid such sitting fees for each Board meeting attended by such non-executive Directors as may be determined by the Company in a General Meeting from time to time within any limits that may have been prescribed under Applicable Law for payment of sitting fees.

- (3) All Directors shall be entitled to be paid or reimbursed their reasonable travelling, accommodation and subsistence expenses incurred in attending meetings of the Board or any committees of the Board or in the discharge of their duties as Directors.

(90) *Right of continuing Directors when there is no quorum*

The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or of summoning a General Meeting of the Company but for no other purpose.

(91) *Retirement of Directors*

Not less than two-thirds of the total number of Directors shall be liable to retire by rotation. One-third of the Directors shall automatically retire every year at the Annual General Meeting and shall be eligible for re-appointment. The Directors to retire by rotation shall be decided based on those who have been longest in office, and as between persons appointed on the same day, the same shall be decided by mutual agreement or by draw of lots. The Managing Director shall not be liable to retire by rotation so long as he holds the office of the Managing Director.

(92) *Increase or reduction in the number of Directors*

Subject to the provisions of Section 252, 255, 259 of the Act, the Company in General Meeting may by Ordinary Resolution increase or reduce the number of its Directors.

(93) *Power to remove Director by ordinary resolution*

Subject to the provisions of the Act, the Company may by an ordinary resolution in General Meeting remove any Director before the expiration of his period of office and may, by an ordinary resolution, appoint another person instead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.

- (94) Subject to the applicable provisions of the Act, if any, and observance and fulfillment thereof and subject to any restrictions imposed by the Articles, no Director shall be disqualified by virtue of holding the office of Director from contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relationship thereby established, but the nature of such Director's interest must be disclosed by such Director as provided by the Act.

(95) *Director for subsidiary Company*

Directors of this Company may be or become a Director of any Company promoted by this Company or in which it may be interested as vendor, Shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such company.

(96) *Place and Calling of Board Meetings*

Board meetings shall be held at such places, as the Board may determine and failing any such determination at the Company's Registered or Corporate office. Board meetings shall be held at least once every three (3) months and at least four (4) times in each year with a maximum gap of four (4) months between any two meetings.

The Managing Director may, at any time call a meeting of the Board. Unless the requirement of notice is waived by all the Directors, fourteen (14) calendar days' written notice (or such shorter period as all the Directors may agree) of Board meetings shall be given to all Directors. Each notice of a meeting of

the Board shall be accompanied by an agenda specifying in reasonable detail the matters to be discussed at such meeting. Notices and minutes of Board meetings shall be given to each Director at their last known address, whether resident in India or outside India.

(97) *Quorum*

Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in the one-third being rounded off as one), or two directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-third of the total strength, the number of Directors who are not interested, and are present at the meeting, being not less than two (2), shall be the quorum for such time. In the absence of a quorum, the Board meeting shall be adjourned for a period of seven (7) calendar days with notice to be provided to the Directors within three (3) days of such adjournment unless the Board decides otherwise. If a quorum in accordance with the above requirement is not present at two (2) consecutive meetings, the third meeting shall proceed irrespective of such requirement.

(98) *Decisions by Majority Vote*

Except as otherwise provided in the Act, all decisions of the Board shall be taken by a majority of the Directors present and voting at a meeting of the Board, or as the case may be, the Directors voting by way of a circular resolution.

(99) *Right of continuing Directors when there is no quorum*

The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or of summoning a General Meeting of the Company but for no other purpose.

(100) *Chairman of the Board*

The Chairman of the Board shall be appointed by the Board. The Chairman of the Board shall preside as chairman of each meeting of the Board. In the absence of the Chairman, the Directors attending the meeting shall elect a Director from among themselves to chair the meeting. In the event of any equality of votes, the chairman of the meeting shall have a second or casting vote.

(101) *Powers of the Board*

Subject to the provisions of the Act and these Articles, the Board shall be entitled to exercise all such powers, and do all such acts and things, as the Company is authorised to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or by the Memorandum of Association or these Articles or otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum of Association or in these Articles or in any regulations not inconsistent therewith duly made hereunder including regulations made by the Company in a General Meeting.

(102) *Appointment of Committees*

The Board may, subject to the provisions of the Act, these Articles and other relevant provisions of Applicable Law, delegate any of the powers other than the powers to make calls and to issue any Securities to committee or committees and may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to the person or purposes, but every committee of the Board so formed shall, in exercise of the powers so delegated, conform to any regulation or direction that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations or directions and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board.

(103) *Resolution by Circulation*

Subject to the provisions of the Act, resolutions of the Board or a committee of the Board may be passed by circulation, if the resolution has been circulated in draft, together with necessary papers, if any, to all the Directors or all of the members of the committee, then in India or outside India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and has been signed by a majority of the Directors. Such resolutions may be signed by the Directors in counterparts.

(104) *Assignment of debentures*

Such debentures, debenture-stock, bonds or other securities may be assignable free from any equities between the Company and the person to whom the same may be issued.

(105) *Terms of Issue of Debentures*

Any debentures, debenture stock, or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise, Debentures with a right of conversion into or allotment of shares shall be issued only with the consent of the Company in a General Meeting by a Special Resolution.

(106) *Debenture Directors*

Any Trust Deed for securing debentures or debenture stock may if so arranged provide for the appointment from time to time by the trustee thereof or by the holders of debentures or debenture stock of some person to be a Director of the Company and may empower such trustee or holders of debentures or debenture stock from time to time to remove any Directors so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the Debenture Director means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares, not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provision shall have effect notwithstanding any of the other provisions herein contained.

(107) *Nominee Directors*

Notwithstanding anything to the contrary in these Articles, any Financing Company or Body Corporate or Bank or Insurance Corporation or any State or Central finance Institutions or any other finance corporation or Credit Corporation or, any other financing Company or body or Venture Capital funds in Private and / or public sector, Sponsors and / or dealers of OTCEI (hereinafter referred to as "the financial Institution") shall have a right to appoint, remove, reappoint, substitute from time to time, its nominee as a Director (hereinafter referred as "the Nominee Director") on the Board of the Company, so long as any moneys remain owing to them or any of them by the Company, out of any Financial Assistance granted by them or any of them to the Company by way of loan and/ or by holding debentures and / or shares in the Company and / or as a result of underwriting or direct subscription and / or any liability of the Company arising out of the guarantee furnished by the Financial Institution on behalf of the Company remains outstanding.

(108) *Register of Charges*

The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

(109) *Subsequent assigns of uncalled capital*

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same, subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

(110) *Charge in favour of Director for Indemnity*

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

(111) *Powers to be exercised by Board only by Meeting*

(1) 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.

(2) 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.

(3) 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.

(4) Every resolution delegating the power referred to in sub-clause (iv) above shall specify the total amount, up to which the fund may invested and the nature of the investments which may be made by the delegate.

(5) 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)

(112) (1) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director or whole-time Directors.

(2) The Directors may from time to time resolve that there shall be either one or more Managing Directors or Whole time Directors.

(3) 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 Shareholders.

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.

The Managing Director or whole time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or whole-time Director.

(113) *Powers and duties of Managing Director or whole-time Director*

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 the Articles 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.

(114) *Remuneration of Managing Directors/whole time Directors*

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.

(115) *Reimbursement of expenses*

The Managing Directors\whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

(116) *Business to be carried on by Managing Directors/ Whole time Directors*

- (1) The Managing Directors\whole-time shall have subject to the supervision, control and discretion of the board, the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties in relation to the Management of the affairs and transactions of Company, except such powers and such duties as are required by law or by the Articles to be exercised or done by the Company in General Meeting or by Board of Directors and also subject to such conditions or restriction imposed by the Act or by the Articles.
- (2) Without prejudice to the generally of the foregoing and subject to the supervision and control of the Board of Directors, the business of the Company shall be carried on by the Managing Director/ Whole time Director and he shall have all the powers except those which are by law or by the Articles or by any resolution of the Board required to be done by the Company in General Meeting or by the Board.
- (3) The Board may, from time to time delegate to the Managing Director or Whole time Director 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 the Managing Director or Whole time Director by the Board or by the Articles.

(117) *Common Seal*

- (1) The Board shall provide a common seal of the Company and for the safe custody thereof.
- (2) The common seal shall not be used except by the authority of the Directors or a Committee of Directors previously given by means of a resolution. Any document to which the seal is affixed shall be signed by atleast one director of the Company.
- (3) Share Certificates will be signed and sealed in accordance with Rule 6 of the Companies (Issue of Shares Certificates) Rules, 1960, as amended. In all other cases, the common seal will be affixed in the presence of at least one (1) Director duly authorised by a resolution of the Board or a Committee of the Board who shall attest the same on behalf of the Company.

DIVIDENDS AND RESERVES

- (118) The Company in a General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
- (119) The Board may from time to time pay to the Shareholders such interim dividends as appear to it to be justified by the profits of the Company.
- (120) (1) Subject to the provisions of the Act and Applicable Law, the Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it deems proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, deem proper.
- (2) The Board may also carry forward any profits which it may deem prudent not to divide, without setting them aside as reserves.
- (121) (1) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the Shares.
- (2) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of this Article as paid on the Share.
- (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid; but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Share shall rank for dividend accordingly.
- (4) The Board may deduct from any dividend payable to any Shareholder all sums of money, if any, presently payable by such Shareholder to the Company on account of calls or otherwise in relation to the Shares of the Company.
- (122) (1) Any dividend, interest or other moneys payable in cash in respect of Shares may be paid by cheque or warrant sent through post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the older or joint holders may in writing direct.
- (2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- (123) Any one of two or more joint holders of a Share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such Share.
- (124) *Notice of dividends*
- Notice of any dividend that may have been declared shall be given to the persons entitled to thereto in the manner specified in the Act.
- (125) *Dividends not to bear interest*
- No dividend shall bear interest against the Company.

(126) *Transfer of shares not to pass prior to dividends*

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.

(127) *Unpaid or unclaimed dividend*

- (1) Where the Company has declared a dividend but which has not been paid or claimed, or the dividend warrant in respect thereof has not been posted within thirty (30) days from the date of declaration to any Shareholder entitled to the payment of the dividend, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, open a special account in that behalf in any scheduled bank called the “Unpaid Dividend Account of Ind-Barath Power Infra Limited” and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.
- (2) The Company shall transfer any money transferred to the unpaid dividend account of the Company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the fund known as Investor Education and Protection Fund established under section 205C of the Act.
- (3) No unclaimed or unpaid dividend shall be forfeited by the Board before the claims become barred by Applicable Law.

CAPITALISATION OF PROFITS

(128) *Capitalisation of Profits*

- (1) The Company in a General Meeting, may on recommendation of the Board, resolve to:
 - (a) capitalise 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
 - (b) set free such amount for distribution in the manner specified in Article 106(2) among those of its Shareholders who would have been entitled thereto (and in the same proportions) if distributed by way of dividend.
- (2) Any such amount shall not be paid in cash, but shall be applied, either in or towards:
 - (a) paying up any amounts for the time being unpaid by such Shareholders on Shares;
 - (b) paying up, unissued Shares of the Company to be allotted and distributed,
 - (c) credited as fully paid-up, to and among such Shareholders in the proportions aforesaid; or
 - (d) partly in the way specified in sub-clause (a) and partly in that specified in paragraph (b).
- (3) The Board shall give effect to any resolution passed by the Company in pursuance of this Article to Shareholders of the Company as fully paid bonus shares.

(129) *Power of Directors for declaration of bonus issue*

- (1) In respect of any resolution under Article 156 above, the Board shall make all appropriations and applications of the profits resolved to be capitalised and all allotments and issues of fully paid-up Shares, if any.
- (2) The Board shall have full power to make such provision, as it deems fit, by the issue of fractional certificates or by payments in cash or otherwise, in the case of Shares or Securities becoming distributable in fractions.
- (3) Any agreement made by the Company under such authority shall be effective and binding on all such Shareholders.

ACCOUNTS

(130) *Books of Account to be kept*

- (1) The Board shall cause proper books of accounts to be maintained under Section 209 of the Act.
- (2) Subject to the provisions of Section 209A of the Act, the Board shall also, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the account books of the Company (or any of them) shall be open to the inspection of Shareholders.
- (3) Subject to the provisions of Section 209A of the Act, no Shareholder (not being a Director) or other person shall have any right to inspect any account book or document of the Company except permitted under Applicable Law or authorized by the Board or by the Company in a General Meeting.

AUDIT

(131) *Accounts to be audited*

Every Balance Sheet and Profit & Loss Account shall be audited by one or more Auditors to be appointed as hereinafter set out.

- (a) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within seven days.
- (b) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy.
- (c) The Company shall within seven days of the Central Government's power under sub clause (c.) becoming exercisable, give notice of that fact to the Government.
- (d) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

- (e) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Members in accordance with provisions of Section 190 and all the other provision of Section 225 shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.
- (f) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.
- (g) None of the persons mentioned in Section 226 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

(132) *Audit of Branch Offices*

The Company shall comply with the provisions of the Act in relation to the audit of the accounts of Branch Offices of the Company.

(133) *Remuneration of Auditors*

The remuneration of the Auditors shall be fixed by the Board as authorised in General Meeting from time to time.

(134) *Service of document on the Company*

A document may be served on the Company or an officer by sending it to the Company or officer at Registered Office of the Company by post under a certificate of posting or by Registered Post, or by leaving it at the Registered Office.

AUTHENTICATION OF DOCUMENTS

(135) *Authentication of documents and proceedings*

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the Manager, the Secretary or an authorised officer of the Company and need not be under its seal.

WINDING UP

(136) *Application of assets*

Subject to the provisions of the Act, and these Articles, if the Company shall be wound up and the assets available for distribution among the Shareholders as such shall not be sufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Shareholders in proportion to the capital paid-up, or which ought to have been paid-up, at the commencement of the winding up, on the Shares held by them respectively. And if in a winding up, the assets available for distribution among the Shareholders shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed among the Shareholders in proportion to the Shares held by them respectively. This paragraph is, however, without prejudice to the rights of the holders of Shares issued upon preferential or special terms and conditions. (2) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other approval required under the Act and Applicable Law, divide among the Shareholders, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(137) *Secrecy*

Every Director, manager, auditor, trustee, Shareholder, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board before entering upon its duties, sign a declaration pledging to observe strict secrecy respecting all bonafide confidential information of the Company and its customers and shall by such declaration pledge not to reveal any of the matters which may come to its knowledge in the discharge of its duties, except as required by the Board, or by any General Meeting, or by a court of law, or so far as may be necessary in order to comply with any of the provisions in these Articles and the provisions of the Act.

SECTION XII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company from 11.00 a.m. to 5.00 p.m. on Working Days from the date of this Draft Red Herring Prospectus until the Bid/Issue Closing Date.

Material contracts

1. Issue Agreement dated June 18, 2010 among our Company and the BRLMs and the Selling Shareholders.
2. Memorandum of understanding dated April 28, 2010 between our Company and the Registrar to the Issue.
3. Letters of engagement dated May 10, 2010 between our Company and the BLRMs.
4. Letters of engagement dated June 18, 2010 between the Selling Shareholders and the BRLMs.
5. Escrow agreement dated • among our Company, the Selling Shareholders, the BRLMs, the Escrow Collection Banks, and the Registrar to the Issue.
6. Syndicate agreement dated • among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.
7. Underwriting agreement dated • between our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.

Material documents

1. Our Company's Memorandum and Articles of Association, as amended.
2. Shareholders' resolution dated May 10, 2010 in relation to the Fresh Issue and other related matters.
3. Resolution of the Board dated May 06, 2010 authorising the Fresh Issue.
4. Resolution of the Board dated June 01, 2007 for the appointment of K. Raghu Ramakrishna Raju as the Chairman and Managing Director of our Company.
5. Resolutions of the board of directors of CVCIGP II Client Rosehill Limited and CVCIGP II Employee Rosehill Limited each dated May 24, 2010 approving the Offer for Sale.
6. Resolution of the board of directors of Sriba Seabase Private Limited dated May 31, 2010 approving the Offer for Sale.
7. Letter issued by Gautam Nayak and Keshav Bhujle as trustees of CVCIGP II Vivek Chhachhi Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Ajay Relan Trust and CVCIGP II Jayanta Kumar Basu Trust dated June 17, 2010 approving the Offer for Sale.
8. Resolution of the board of directors of UTI dated December 20, 2004 with letter dated June 11, 2010, approving the Offer for Sale.
9. Auditors' Report as required by Part II of Schedule II of the Companies Act and mentioned in this Draft Red Herring Prospectus dated May 31, 2010.

10. Copies of annual reports of our Company and our subsidiaries for the years ended March 31, 2009, 2008, 2007, 2006 and 2005.
11. Consent of the Auditors, M/s. B S R & Co., Chartered Accountants, for inclusion of their report in the form and context in which they appear in this Draft Red Herring Prospectus.
12. Consents of Auditors, Bankers to our Company, BRLMs, Syndicate Members, Registrar to the Issue, Escrow Collection Banks, Domestic Legal Advisor to our Company, Domestic Legal Advisor and International Legal Advisor to the BRLMs monitoring agency, Directors of our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
13. Listing applications dated • made to BSE and the NSE.
14. Applications dated • and • for in-principle listing approval from NSE and BSE, respectively.
15. In-principle listing approval dated • and • from NSE and BSE, respectively.
16. Agreement among NSDL, our Company and the Registrar to the Issue dated October 26, 2009.
17. Agreement among CDSL, our Company and the Registrar to the Issue dated May 20, 2010.
18. Due diligence certificate dated June 21, 2010 to SEBI from the BRLMs.
19. SEBI observation letter • dated • and our in-seriatim reply dated •.
20. Statement of possible tax benefits dated June 15, 2010 from B S R & Co., Chartered Accountants, on possible income tax benefits available to the Company and its shareholders.
21. Letter from • on IPO grading.
22. The investment agreement dated October 21, 2009 between the (i) Company, (ii) K. Raghu Ramakrishna Raju, K. Rama Devi, Marubhoomi Consultants Private Limited, Silicon Valley Infotech Limited, Toplight Tradelinks Private Limited, Noble Power Private Limited, Network Power Private Limited, Boston Teknowsys (India) Limited, K. Rama Chandra Rao, Ind-Barath Commodities Limited, Vamsi Industries Limited, B. Rama Krishna, Chintalapati Holdings Private Limited, Deccan Cigarette Centre Private Limited, Bhaskara Transport Private Limited, Sriba Seabase Private Limited, (iii) Sequoia, (iv) Bessemer, (v) CVCI Investors and (vi) UTI.
23. The amendment agreement dated May 31, 2010 between the (i) Company, (ii) K. Raghu Ramakrishna Raju, K. Rama Devi, Marubhoomi Consultants Private Limited, Silicon Valley Infotech Limited, Toplight Tradelinks Private Limited, Noble Power Private Limited, Network Power Private Limited, Boston Teknowsys (India) Limited, K. Rama Chandra Rao, Ind-Barath Commodities Limited, Vamsi Industries Limited, B. Rama Krishna, Chintalapati Holdings Private Limited, Deccan Cigarette Centre Private Limited, Bhaskara Transport Private Limited, Sriba Seabase Private Limited, (iii) Sequoia, (iv) Bessemer, (v) CVCI Investors and (vi) UTI.
24. Upside payment letter for CVCI Series I Investors dated May 25, 2010 issued by CVCI Series I Investors to Sriba Seabase Private Limited.
25. The payment letter for Series I dated May 27, 2010 issued by UTI to Sriba Seabase Private Limited.
26. The upside payment agreement dated May 22, 2010 between: (i) our Company, (ii) Promoters, (iii) Sequoia, (iv) Bessemer, (v) CVCI Investors and (vi) UTI.

27. The side agreement dated October 21, 2009 executed between the (i) Company, (ii) K. Raghu Ramakrishna Raju, K. Rama Devi, Marubhoomi Consultants Private Limited, Silicon Valley Infotech Limited, Toplight Tradelinks Private Limited, Noble Power Private Limited, Network Power Private Limited, Boston Teknowsys (India) Limited, K. Rama Chandra Rao, Ind-Barath Commodities Limited, Vamsi Industries Limited, B. Rama Krishna, Chintalapati Holdings Private Limited, Deccan Cigarette Centre Private Limited, Bhaskara Transport Private Limited, Sriba Seabase Private Limited, (iii) Sequoia, (iv) Bessemer, (v) CVCII Investors, and (vi) UTI.
28. Waiver letters dated June 07, 2010 executed by each of CVCIGP II Client Ebene Limited, CVCIGP II Employee Ebene Limited, CVCIGP II Client Rosehill Limited and CVCIGP II Employee Rosehill Limited;
29. Waiver letter dated June 05, 2010 executed by Gautam Nayak and Keshav Bhujle (as trustees of CVCIGP II Vivek Chhachhi Trust, CVCIGP II Ajay Tandon Trust, CVCIGP II Vinayak Shenvi Trust, CVCIGP II P.R. Srinivasan Trust, CVCIGP II Siva Shankar Trust, CVCIGP II Ajay Relan Trust and CVCIGP II Jayanta Kumar Basu Trust);
30. Waiver letter dated June 16, 2010 executed by Sequoia;
31. Waiver letter dated June 16, 2010 executed by Bessemer;
32. Waiver letter dated June 16, 2010 executed by UTI; and
33. Sanction letter dated March 24, 2010 from Axis Bank to underwrite a facility to be availed of by Ind-Barath Power (Madras) Limited.

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

1. DECLARATION BY THE COMPANY

We, the Directors of the Company certify that all the relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL DIRECTORS:

K. Raghu Ramakrishna Raju Chairman and Managing Director	
K. Rama Devi Non-executive Director	
Perumal Srinivasan Nominee Director of CVCIGP II Client Rosehill Limited	
Vuppalapati Sitarama Raju Independent Director	
Vaddarse Prabhakar Shetty Independent Director	
Abhay Kumar Pandey Nominee Director of Sequoia Capital India Growth Investment Holdings II	
Vishal Vijay Gupta Nominee Director of Bessemer Venture Partners Trust	
D. Madhusudhana Reddy Additional Director & Chief Financial Officer	
Sasamka Babu Potharlanka Independent Director	
T. Stanley Babu Independent Director	
Debi Prasad Bagchi Independent Director	
A. Balraj Independent Director	

K. Raghu Ramakrishna Raju Chairman and Managing Director	
D. Madhusudhana Reddy Additional Director & Chief Financial Officer	

Date : June 21, 2010

Place :

DECLARATION BY SRIBA SEABASE PRIVATE LIMITED

We certify that all the relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED ON BEHALF OF SRIBA SEABASE PRIVATE LIMITED

Date : June 21, 2010

Place :

DECLARATION OF THE CVCII SELLING SHAREHOLDERS

Each CVCII Selling Shareholder certifies that all the statements in this Draft Red Herring Prospectus about or in relation to such CVCII Selling Shareholder and the shares proposed to be offered for sale by such CVCII Selling Shareholder hereunder is true and correct. Each CVCII Selling Shareholder assumes responsibility only for statements about or in relation to such CVCII Selling Shareholder. The CVCII Selling Shareholders assume no responsibility for any other statements including any statements made by the Company or any other Selling Shareholder in the enclosed Draft Red Herring Prospectus.

SIGNED BY ALL THE CVCII SELLING SHAREHOLDERS

**For and on behalf of CVCIGP II Client
Rosehill Limited**

Authorized Signatory

**For and on behalf of CVCIGP II Employee
Limited**

Authorized Signatory

**Gautam Nayak and Keshav Bhujle as
trustee of CVCIGP II Ajay Relan Trust**

Gautam Nayak

Keshav Bhujle

**Gautam Nayak and Keshav Bhujle as
trustee of CVCIGP II Jayanta Kumar
Basu Trust**

Gautam Nayak

Keshav Bhujle

**Gautam Nayak and Keshav Bhujle as
trustee of CVCIGP II Vinayak Shenvi
Trust**

Gautam Nayak

Keshav Bhujle

**Gautam Nayak and Keshav Bhujle as
trustee of CVCIGP II Vivek Chhachhi
Trust**

Gautam Nayak

Keshav Bhujle

**Gautam Nayak and Keshav Bhujle as
trustee of CVCIGP II P.R. Srinivasan
Trust**

Gautam Nayak

Keshav Bhujle

Date : June 21, 2010

Place :

DECLARATION BY UTI:

We certify that all the statements in this Draft Red Herring Prospectus about or in relation to us and the shares proposed to be offered for sale by us are true and correct. We assume responsibility only for statements about or in relation to us. We assume no responsibility for any other statements including any statements made by the Company or any other Selling Shareholder in the enclosed Draft Red Herring Prospectus.

SIGNED ON BEHALF OF UTI

Date : June 21, 2010

Place :

ANNEXURE
IPO GRADING REPORT