Draft Red Herring Prospectus
Dated January 21, 2008
Please read Section 60B of the Companies Act, 1956
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Building Issue

JSW ENERGY LIMITED

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

Registered Office: Jindal Mansion, 5A, G. Deshmukh Marg, Mumbai 400 026, Maharashtra.
Corporate Office: The Enclave, Behind Marathe Udyog Bhavan, New Prabhadevi Road, Prabhadevi, Mumbai 400025.
Company Secretary and Compliance Officer: Mr. S Madhavan
Tel: (91 22) 2423 8000; Fax: (91 22) 2432 0740; Email: ipo.jswenergy@jsw.in; Website: www.jsw.in

PUBLIC ISSUE OF 63,225,000 EQUITY SHARES OF Rs. 10 EACH OF JSW ENERGY LIMITED ("JSWEL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF Rs. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF Rs. [●] PER EQUITY SHARE) AGGREGATING UP TO Rs. [●] (THE "ISSUE"). THE ISSUE COMPRISES A NET ISSUE OF 61,225,000 EQUITY SHARES TO THE PUBLIC AND A RESERVATION OF 2,000,000 EQUITY SHARES FOR ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 10.94% AND 10.59% RESPECTIVELY OF THE POST ISSUE PAID-UP CAPITAL OF THE COMPANY.#

\# *The Company is considering a Pre-IPO Placement of Equity Shares with various investors ("Pre-IPO Placement"). The Pre-IPO placement is at the discretion of the Company. The 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 Net 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 RS. 10 EACH
THE FLOOR PRICE IS [●] TIMES THE FACE VALUE AND THE CAP PRICE IS [●] TIMES THE FACE VALUE

A discount of [●] % to the Issue Price determined pursuant to completion of Book Building Process shall be offered to Retail Individual Bidders and Eligible Employees whose Bid Amount does not exceed Rs. 100,000 ("Retail Discount").

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

In accordance with Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein not less than 60% of the Net Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If not less than 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. A discount of [●]% to the Issue Price determined pursuant to completion of Book Building Process shall be offered to Retail Individual Bidders and Eligible Employees whose Bid Amount does not exceed Rs. 100,000.

Payment Methods

Amount Payable per Equity Share (In Rs.)	Payment Method -1@			Payment Method -2		
	Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees			Any Category		
	Face Value	Premium	Total	Face Value	Premium	Total
On Application	[●]	[●]	[●]	[●]	[●]#	[●]#
By Due Date for Balance Amount Payable	[●]	[●]#	[●]#	-	-	-
Total	[●]	[●]#	[●]#	[●]	[●]#	[●]#

@ Non-Residents require the approval of RBI for subscribing to partly paid up Equity Shares and copy of such approval should be submitted along with the Bid-cum-Application Form. See page [●] for risks associated with Payment Method – 1
\# Retail Discount of Rs. [●], if applicable, to be adjusted.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs.10 per Equity Share and the Issue Price is [●] times of the face value and the cap price is [●] times of the face value. The Issue Price (as determined by our Company in consultation with the Book Running Lead Managers on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process and as stated in the section "Basis for Issue Price" on page [●] of this Draft Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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

IPO GRADING

This Issue has been graded by [●] as [●], indicating [●]. For details see "General Information" beginning on page [●] of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Issuer and the Issue that is material in the context of the Issue, that the information contained in this 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 information or the expression of any opinions or intentions, misleading in any material respect.

LISTING ARRANGEMENT

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

BOOK RUNNING LEAD MANAGERS

JM Financial Consultants Private Limited
141, Maker Chambers III
Nariman Point
Mumbai 400 021
Tel: (91 22) 6630 3030
Fax: (91 22) 22047185
Email: jswel.ipo@jmfinancial.com
Investor Grievance Id: grievance.ibd@jmfinancial.in
Website: www.jmfinancial.in
SEBI Registration No.: INM000010361
Contact Person: Ms. Poonam Karande

Kotak Mahindra Capital Company Limited
3rd Floor, Bakhtawar
229 Nariman Point
Mumbai 400 021
Tel: (91 22) 6634 1100
Fax: (91 22) 2283 7517
Email: jswel.ipo@kotak.com
Investor Grievance Id: kmcceredressal@kotak.com
Website: www.kotak.com
SEBI Registration No.: INM000008704
Contact Person: Mr. Chandrakant Bhole

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg,
Churchgate, Mumbai 400 020
Tel: (91 22) 2288 2460
Fax: (91 22) 2882 6580
E-mail: project_shakti@isecltd.com
Investor Grievance Id: customercare@isecltd.com
Website: www.icicisecurities.com
SEBI Registration No.: INM000011179
Contact Person: Ms. Apeksha Jain

Credit Suisse Securities (India) Private Limited
9 Floor, Ceejay House
Plot F, Shivsagar Estate
Dr. Annie Besant Road, Worli
Mumbai 400 018
Tel: (91 22) 6777 3777
Fax: (91 22) 6777 3820
E-mail: list.jswenergy@credit-suisse.com
Investor Grievance Id: list.igcellmer-bnkg@credit-suisse.com
Website: www.credit-suisse.com/asiapac/india/
SEBI Registration No.: INM000011161
Contact Person: Kushal Doshi

Deutsche Equities India Private Limited
DB House, Hazarimal Somani Marg,
Fort, Mumbai 400 001
Tel: (91 22) 6658 4600
Fax: (91 22) 2200 6765
E-mail: jswenergy.ipo@db.list.com
Investor Grievance Id: db.redressal@db.com
website: www.db.com/India
SEBI Registration No.: INM000010833
Contact Person: Mr. Abhishek Pandey

IDFC - SSKI Private Limited*
803-4 Tulsiani Chambers,
8th Floor, Nariman Point,
Mumbai 400 021.
Tel: (91 22) 6638 3333
Fax: (91 22) 2204 0282
E-mail: jswel.ipo@idfcsski.com
Investor Grievance Id: complaints@idfcsski.com
Website: www.sski.co.in
SEBI Registration No.: INM000010254
Contact Person: Mr. Mahesh Kabra
*name being changed from SSKI Corporate Finance Private Limited, subject to regulatory approvals

J.P. Morgan India Private Limited
9th floor, Mafatlal Centre,
Nariman Point, Mumbai 400021
Tel: (91 22) 2285 5666
Fax: (91 22) 6639 3091
Email: JSW_Energy_IPO@jpmorgan.com
Investor Grievance Id: investorsmb.jpmipl@jpmorgan.com Website: www.jpmipl.com
SEBI Registration No.: INM000002970
Contact Person: Mr. Sagarnil Pal

SBI Capital Markets Limited
202, Maker Towers 'E',
Cuffe Parade,
Mumbai 400 005
Tel: (91 22) 2218 9166
Fax: (91 22) 2218 8332
E-mail: jswenergy.ipo@sbicaps.com
Investor Grievance Id: investor.relations@sbicaps.com
Website : www.sbicaps.com
SEBI Registration No.: INM000003531
Contact Person: Mr. Nishit Mathur

UBS Securities India Private Limited
2/F, Hoechst House
Nariman Point
Mumbai 400 021
Tel: (91 22) 2286 2000/ 6630 9000
Fax: (91 22) 2281 4676
E-mail: jswenergy@ubs.com
Investor Grievance Id: customercare@ubs.com
Website: http://www.ibb.ubs.com/Corporates/indianipo/
SEBI Registration No.: INM000010809
Contact Person: Mr. Avi Mehta

REGISTRAR TO THE ISSUE

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

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON	[●], 2008	BID/ISSUE CLOSES ON	[●], 2008

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

Company Related Terms

Term	Description
Articles/Articles of Association	The Articles of Association of our Company
Auditors	The statutory auditors of our Company, M/s. Lodha & Co., Chartered Accountants
Board of Directors/Board	The board of directors of our Company or a committee constituted thereof
Director(s)	Director(s) of our Company, unless otherwise specified
Identified Projects	Projects as defined in the "Objects of the Issue" section, beginning on page [•] of the Draft Red Herring Prospectus.
JSL	Jindal Saw Limited
JSLL	Jindal Stainless Limited
JSPL	Jindal Steel & Power Limited
JSW Group	The group of companies managed by Mr. Sajjan Jindal
JSWEIPL	JSW Energy Investments Private Limited
JSWERL	JSW Energy (Ratnagiri) Limited
JSWEVL	JSW Energy (Vijayanagar) Limited
JSWHL	Jindal South West Holdings Limited
JSWILL	JSW Infrastructure & Logistics Limited
JSWIPL	JSW Investments Private Limited
JSWPTC	JSW Power Trading Company Limited
JSWPTL	JSW PowerTransco Limited
JSWSL	JSW Steel Limited
KMP	Key Managerial Personnel
Memorandum/Memorandum of Association	The memorandum of association of our Company.
O.P. Jindal Group	The group of companies managed by Mr. P.R. Jindal, Mr. Sajjan Jindal, Mr. Ratan Jindal and Mr. Naveen Jindal
OS	Operation Services
RWPL	Raj WestPower Limited
Promoters	Mr. Sajjan Jindal, Mr. P.R. Jindal, Sun Investments Private Limited, JSW Investments Private Limited
Promoter Group	As enumerated in "Our Promoters and Promoter Group" on page [•]of this Draft Red Herring Prospectus
PTPUJ	PT Param Utama Jaya
SHA	Shareholder's Agreement
SIPL	Sun Investments Private Limited
SISCOL	Southern Iron & Steel Company Limited
Subsidiaries	JSW Energy (Vijayanagar) Limited, JSW Energy (Ratnagiri) Limited, Raj WestPower Limited, JSW PowerTransco Limited, JSW Power Trading Company Limited and PT Param Utama Jaya
TS	Technical Services

Issue Related Terms

Term	Description
Amount Payable on Submission of Bid-cum-Application Form	The amount specified under Payment Method-1 or Payment Method-2 for Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees Bidders and Payment Method-2 for any category
Allotment/ Allot	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Balance Amount Payable	Issue Price less amount already paid, if any, (net of Retail Discount if applicable), payable by Retail Individual Bidder, Non-Institutional Bidders and Eligible Employees whose Bid Amount does not exceed Rs. 100,000 choosing Payment Method-1 and for which a Call Notice shall be issued by the Company on the date of Allotment
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in "Issue Procedure – Basis of Allotment" on page [●] of the Draft Red Herring Prospectus
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to the Equity Shares of our Company 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 and which is payable by the Bidder on submission of the Bid in the Issue
Bid /Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation
Bid /Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation
Bid cum Application Form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bidding/Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids, including any revisions thereof
Book Building Process/ Method	Book building route as provided in Chapter XI of the SEBI DIP Guidelines, in terms of which this Issue is being made
BRLMs/Book Running Lead Managers	JM Financial, Kotak, I-Sec, Credit Suisse, DB, IDFC-SSKI, JPM, SBI CAPs and UBS
Business Day	Any day on which commercial banks in Mumbai are open for business
Call Notice	A notice issued by the Company for payment of the Balance Amount Payable in respect of partly paid Equity Shares allotted to Retail Individual Bidders and Non-Institutional Bidders choosing Payment Method-1
CAN/Confirmation of Allocation Note	Note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Credit Suisse	Credit Suisse Securities (India) Private Limited, a company incorporated under the Companies Act and having its registered office at 9 Floor, Ceejay House, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018
Cut-off Price	Issue Price, net of Retail Discount, finalised by the Company in consultation with the BRLMs. Only Retail Individual Bidders and Eligible Employee whose Bid Amount does not exceed Rs. 100,000, are entitled to bid at the Cut Off Price, for a Bid Amount not exceeding Rs. 100,000. QIBs and Non-Institutional Bidders are not entitled to bid at the Cut-Off Price.
DB	Deutsche Equities India Private Limited, a company incorporated under the Companies Act and having its registered office at DB House, Hazarimal Somani Marg, Fort, Mumbai 400 001
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders

Term	Description
Designated Stock Exchange	[●]
DP ID	Depository Participant's Identity
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars of the price at which the Equity Shares are issued and the size (in terms of value) of the Issue
Due Date for Balance Amount Payable	Last date for payment of the Balance Amount Payable for Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees choosing Payment Method-1, which is a date falling 21 days from the date of Allotment.
Eligible Employees	Permanent employees of the Company and its Subsidiaries as of [●] who are Indian Nationals based in India and are present in India on the date of submission of the Bid cum Application Form
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein
Employee Reservation Portion	The portion of the Issue being up to 2,000,000 Equity Shares available for allocation to Eligible Employees
Equity Shares	Equity shares of our Company of Rs. 10 each, unless otherwise specified
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders on the terms and conditions thereof
Financial Year/ Fiscal/ FY	Period of twelve months ended March 31 of that particular year
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids will be accepted
ICICI	ICICI Bank Limited
IDBI	Industrial Development Bank of India Limited
IDFC-SSKI	IDFC - SSKI Private Limited, a company incorporated under the Companies Act and having its registered office at 803-4, Tulsiani Chambers, 8th Floor, Nariman Point, Mumbai 400 021
I-Sec	ICICI Securities Limited, a company incorporated under the Companies Act and having its registered office at ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020
Issue	Public issue of 63,225,000 Equity Shares of Rs. 10 each of JSW Energy Limited for cash at a price of Rs. [•] per Equity Share (including a share premium of Rs. [•] per Equity Share) aggregating up to Rs. [•]. It comprises a Net Issue of 61,225,000 Equity Shares to the public and a reservation of 2,000,000 Equity Shares for Eligible Employees. The Company is considering a Pre-IPO Placement of Equity Shares with various investors. The Pre-IPO placement is at the discretion of the Company. The 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 Net Issue size of 10% of the post Issue paid-up capital being offered to the public
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date
Issue Proceeds	The proceeds of the Issue that are available to the Company
JM Financial	JM Financial Consultants Private Limited, a company incorporated under the Companies Act and having its registered office at 141, Maker Chambers III, Nariman Point, Mumbai 400 021
JPM	J.P. Morgan India Private Limited, a company incorporated under the Companies Act and having its registered office at 9th floor, Mafatlal Centre, Nariman Point, Mumbai 400021
Karvy	Karvy Computershare Private Limited, a company incorporated under the Companies Act and having its registered office at Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081
Kotak/ KMCC	Kotak Mahindra Capital Company Limited, a company incorporated under the Companies Act and having its registered office at 3rd Floor, Bakhtawar, 229

Term	Description
	Nariman Point, Mumbai 400 021
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount
Monitoring Agency	[●]
Mutual Fund Portion	5% of the QIB Portion or [●] Equity Shares (assuming the QIB Portion is for 60% of the Issue Size) available for allocation to Mutual Funds only, out of the QIB Portion
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Net Issue	The Issue less the Employee Reservation Portion
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see "Objects of the Issue" on page [●] of this Draft Red Herring Prospectus
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000 (but not including NRIs other than eligible NRIs)
Non-Institutional Portion	The portion of the Net Issue being not less than [●] Equity Shares of Rs. 10 each available for allocation to Non-Institutional Bidders
Pay-in Date	Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date; and extending until the Bid/ Issue Closing Date; and (ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the closure of the Pay-in Date
Payment Method	Either of Payment Method -1 or Payment Method- 2 chosen by Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees. For QIBs, only Payment Method -2 is applicable
Payment Method-1	Amount Payable on Submission of Bid-cum-Application Form in case of Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees, is Rs. [•] per Equity Share, such that it shall not be less than 25% of the Issue Price and Balance Amount Payable shall be paid by the Due Date for Balance Amount Payable. All Non Resident Bidders availing the option of Payment Method-1 are required to submit a copy of an approval from the RBI allowing them to subscribe to the partly-paid up Equity Shares. Under Payment Method – 1, out of the Amount Payable on Submission of Bid-cum-Application Form, Rs. [•] is towards face value and Rs. [•] is towards premium.
Payment Method-2	Amount Payable on Submission of Bid-cum-Application Form in case of Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees shall be 100% of Bid (less the Retail Discount, if applicable) and in case of QIBs is 10% of the Bid Amount with balance being payable on allocation
Price Band	Price band of a minimum price (floor of the price band) of Rs. [●] and the maximum price (cap of the price band) of Rs. [●] and includes revisions thereof
Pricing Date	The date on which our Company in consultation with the BRLMs finalizes the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount
QIB Portion	The portion of the Net Issue being not less than [●] Equity Shares of Rs. 10 each to be Allotted to QIBs
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount shall be made
Refund Banker	[●]
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS as applicable

Term	Description
Registrar to the Issue	Registrar to the Issue, in this case being Karvy.
Retail Individual Bidder(s)	Individual Bidders (including HUFs applying through their Karta and eligible NRIs) who have not Bid for Equity Shares for an amount more than Rs. 100,000 (net of Retail Discount) in any of the bidding options in the Issue.
Retail Discount	The difference of [●] % between the Issue Price and the differential lower price at which the Company has decided to allot the Equity Shares to Retail Individual Bidders and Eligible Employees whose Bid Amount does not exceed Rs. 100,000 as compared to the Issue Price.
Retail Portion	The portion of the Net Issue being not less than [●] Equity Shares of Rs. 10 each available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
RHP or Red Herring Prospectus	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three (3) days before the Bid Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
SBI CAPs	SBI Capital Markets Limited, a company incorporated under the Companies Act and having its registered office at 202, Maker Towers 'E', Cuffe Parade, Mumbai 400 005
Stock Exchanges	BSE and NSE
Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	The agreement to be entered into between the Syndicate and our Company in relation to the collection of Bids in this Issue
Syndicate Members	[●]
TRS/ Transaction Registration Slip	The slip or document issued by a member of the Syndicate to the Bidder as proof of registration of the Bid
UBS	UBS Securities India Private Limited, a company incorporated under the Companies Act and having its registered office at 2/F, Hoechst House, Nariman Point Mumbai 400 021
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into on or after the Pricing Date

Conventional and General Terms/ Abbreviations

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

Term	Description
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India
Financial Year/ Fiscal/ FY	Period of twelve months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
GDP	Gross Domestic Product
GoI/Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961, as amended from time to time
IT	Information Technology
IT Department	Income Tax Department
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
JV	Joint Venture
JVA	Joint Venture Agreement
JVC	Joint Venture Company
Mn / mn	Million
MoU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of up to 60% by NRIs including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, Maharashtra located at Everest, 100 Marine Drive, Mumbai 400 002
RONW	Return on Net Worth

Term	Description
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
Sec.	Section
SIA	Secretariat for Industrial Assistance
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SLP	Special Leave Petition
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state of India
Stock Exchange(s)	BSE and/ or NSE as the context may refer to
UIN	Unique Identification Number
U.S. / USA	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
USD/ US$	United States Dollars
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time

Technical/Industry Related Terms

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

Term	Description
IM	Information Memorandum
IPP	Independent Power Producer
KERC	Karnataka Electricity Regulatory Commission
KPTCL	Karnataka Power Transmission Corporation Limited
KW	Kilo Watt
kWh	Kilo Watt Hour
LD	Liquidated Damages
LOA	Letter of Allotment
LOC	Letter of Credit
LOI	Letter of Intent
MERC	Maharashtra Electricity Regulatory Commission
MIDC	Maharashtra Industrial Development Corporation
Mmscmd	Million Metric Standard Cubic Meter Per Day
MoEF	Ministry of Environment and Projects
MoA	Memorandum of Agreement
MPCB	Maharashtra Pollution Control Board
MPP	Mega Power Project
MSEB	Maharashtra State Electricity Board
Mtpa	Million tons per annum
MW	Megawatts
NTP	Notice to Proceed
NTPC	National Thermal Power Corporation Limited
O&M	Operation and Maintenance
PCB	Pollution Control Board
PFC	Power Finance Corporation Limited
PFR	Project Feasibility Report
PLF	Plant Load Factor
PNB	Punjab National Bank
PPA	Power Purchase Agreement
RFP	Request for Proposal
RFQ	Request for Qualification
SEBs	State Electricity Boards
SERC	State Electricity Regulatory Commission
SEZ	Special Economic Zone
SPV	Special Purpose Vehicle
sq. km.	Square kilometre
UMPP	Ultra Mega Power Project
Units	kWh
UPPCL	Uttar Pradesh Power Corporation Limited
UPSIDC	Uttar Pradesh State Industrial Development Corporation Limited
VERs	Verified Emission Reductions

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

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

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

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

Currency of Presentation

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

This Draft Red Herring Prospectus contains translations of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of Clause 6.9.7.1 of the SEBI Guidelines. These translations should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

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

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

NOTICE TO INVESTORS

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

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

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

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant statement.

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

1. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy;

2. Unavailability of fuel for our power plants;

3. Limited operating history;

4. Inability to enter into financing/ offtake arrangements for the proposed projects;

5. Inability to set up projects within the estimated time frame;

6. Certain inherent construction, financing and operational risks in relation to our projects;

7. The monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates;

8. Foreign exchange rates, equity prices or other rates or prices;

9. The performance of the financial markets in India;

10. General economic and business conditions in India;

11. Changes in laws and regulations that apply to our clients, suppliers and the power generation and trading and construction and property development sectors;

12. Increasing competition in and the conditions of our clients, suppliers and the power generation and trading and construction and property development sectors; and

13. Changes in political conditions in India;

For further discussion of factors that could cause our actual results to differ from our expectations, see "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages [●], [●] and [●] of this Draft Red Herring Prospectus. Neither our Company, our Directors, nor any of the Underwriters nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof. In accordance with SEBI requirements our Company and the BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in the Company's Equity Shares involves a high degree of risk. You should carefully consider the risks described below as well as other information in this Draft Red Herring Prospectus before making an investment in the Company's Equity Shares. The risks described in this section are those that we consider to be the most significant to the offering of our Equity Shares. If any of the following events occur, our business, financial condition, results of operations and prospects could materially suffer, the trading price of the Company's Equity Shares could decline, and you may lose all or part of your investment. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks mentioned herein.

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

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

RISKS RELATED TO OUR BUSINESS OPERATIONS

***1. Our projects under development are subject to considerable uncertainty*.**

We currently have five projects aggregating 9,600 MW of capacity under development which is significantly more than the 3,670 MW of capacity that is operational, under construction or implementation. Even before we achieve financial closure or can begin construction, we need certain key approvals and/or documents from various government entities at the Government of India 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, and financing agreements. For example:

- We have either not yet commenced or are still in the process of acquiring land for all the projects under development;
- JSWSL has entered into a development agreement with the Government of West Bengal to develop a steel plant as well as an associated captive power plant (which will be undertaken by us). JSWSL has written to the Government of West Bengal that a 3 x 330 MW captive power plant shall be developed. We have not yet obtained approval to develop 2 x 800 MW coal based power project, which we propose to develop as a CPP to meet the entire power requirement of the steel plant;
- We have not entered into any definitive agreement or received any definitive award letter in respect of the 1,600 MW project in Orissa; and
- We do not have environmental approvals nor have achieved financial closure nor have detailed project reports for any of our projects under development.

We cannot assure you that we will obtain these approvals, consents, MoU, LoI or enter into these documents or enter into binding documentation which means that all our projects under development are at risk of being delayed, derailed or not proceeding at all.

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

Substantially all of the Company's revenue, including for the six months ended September 30, 2007, has been derived from the 260 MW power plant, which is our only operational plant. Due to the high levels of current and proposed development activity and due to the long gestation periods before projects achieve commercial operation, the Company's historical financial results may not accurately predict its future performance. The Company's total investment (including share application money) in projects comprising RWPL, JSWEVL and JSWERL as of September 30, 2007 was Rs. 8,116.00 million and we do not expect the three projects currently under construction, totalling 2,880 MW to achieve commercial operation until October 2009 – March 2011; the two projects under implementation totalling 530 MW to complete commissioning until March 2011 – April 2014; and the five projects under development totalling 9,600 MW to achieve commercial operation until 2011 – 2013. It may therefore be difficult for investors to evaluate the probable impact of the completed power plants on our financial performance or make meaningful comparisons between reporting periods until we have operating results for a number of reporting periods for these facilities and assets. As the development of power plants becomes, as anticipated, an important part of the Company's overall business, the Company's financial condition and results of operations will increasingly depend on the performance of these new power plants.

Also, the viability of our power projects under construction, implementation, and development are based on assumptions and estimates regarding continuing deficit of power in India over the foreseeable future. However, the significant investment in power generation assets across India coupled with the long gestation period before power plants achieve commercial operation means that by the time our power projects achieve commercial operation there may, as some commentators believe, be a surplus of power in certain regions of India. As a result, we may not realize the returns we originally estimated in our models nor can we predict the competition nor the environment in which we may then be required to operate.

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

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

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

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

With the exception of the RWPL power project and Orissa (to the extent of 11% interest in the coal block), we currently do not have any captive fuel sources for any power project. Rather, these projects depend on long-term fuel supply arrangements with only two or three fuel suppliers, at most. These suppliers have a limited history of mining, unknown experience in delivering coal in the large volumes required for our projects, nor a track record of honouring commitments. Thus, our power plant operations currently are, and will continue to be, vulnerable to disruptions due to weather, or labour relations and delivery of fuel, including shipping and transportation delays in the case of imported fuel, delays due to difficulties enforcing our rights under the fuel supply agreements in countries such as China, Indonesia, or Mozambique. If a fuel supplier fails, or is unable to deliver fuel as scheduled or contracted for, or if the fuel supply to one or more power plants is otherwise disrupted, we may not be able to make alternative arrangements in a timely manner, if at all, and any such alternative arrangements may be more costly to us. As a result, disruption could materially disrupt the normal operations of the thermal power plants and could have an adverse effect on our financial condition, results of operations, and business prospects.

5. Land in connection with the RWPL mines project has not been transferred to our joint venture.

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

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

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

While we have selected our hydroelectric site on the basis of output projections, there can be no assurance that the water flows will be consistent with our projections, or that the water flow required to generate the projected outputs will exist or be sustained after construction of the projects is completed. We cannot assure you that the long-term historical water availability will remain unchanged in the future or that no material hydrological or seismological event will impact the hydrological conditions that currently exist at our project sites.

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

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

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

8. We have no experience in building and operating hydro projects, conducting mining operations and implementing super-critical power plants.

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

Our unincorporated joint ventures have been allotted coal / lignite blocks to source fuel for our power plants. We are responsible for mining the fuel, but we have no prior experience in mining. Coal and lignite mining operations require substantial expertise and are subject to associated risks. We intend to retain experts to assist our mining operations, but if we are unable to extract coal from the coal blocks efficiently, our business, financial condition and results of operations could be materially and adversely affected.

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

9. We do not have permission to develop additional two units at RWPL of 135 MW each.

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

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

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

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

10. We do not have permission/government approval to increase the capacity for three of our projects.

We have entered into an implementation agreement with the Government of Rajasthan to set up a 1000 MW power project at Barmer and a MoU with the Government of Maharashtra to set up a 1,000 MW power project at Ratnagiri. Additionally, we have also entered into a MoU with the Government of Gujarat to develop a 1000 MW power plant. We intend to expand the capacity of these projects, RWPL Phase I, Ratnagiri and Gujarat projects to 1,080 MW, 1,200 MW and 1,600 MW, respectively. Although we have applied to the respective governments for approval, we cannot assure you that these governments will grant these capacity expansions.

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

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

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

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

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

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

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

Even when the Government of India and/or state governments are required under implementation agreements or power purchase agreements to facilitate the acquisition or lease of, or secure rights of way over, tracts of land, 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.

13. ***The construction and operation of our power projects or mines may face opposition from local communities and other parties.***

The construction and operation of power projects and mines have, in the past, and future projects may, become politicised and face opposition from the local communities where these projects are located and from special interest groups. For example, for the JSWERL power project under construction, a public interest petition was filed in the High Court of Bombay challenging the environmental clearance for this project. In particular, the public may oppose the acquisition or lease of land and/or mining operations due to the perceived negative impact it may have on such communities or on the environment. We cannot assure you that we will not encounter such opposition. The resettlement of local communities and rehabilitation program is developed on a project by project basis and is included in our budget for each project. However, the state government is ultimately responsible for disbursing compensation funded by us to those individuals that are displaced due to our projects. Significant opposition by local communities, NGOs and other parties to the construction of our power projects may adversely affect our results of operations and financial condition.

14. ***Our right to develop the Kutehr project is currently under challenge.***

Our right to develop the Kutehr project is currently the subject matter of a litigation. In 2005, the Government of Himachal Pradesh allotted the Kutehr project to M/s. DSC-Himal Venture and in accordance with the allotment letter, it was required to deposit a premium at the time of allotment of the project. However, when M/s. DSC-Himal Venture did not deposit the required amount, the

GoHP cancelled the allotment made by them and awarded the project to JSWEL, being the second highest bidder. M/s. DSC-Himal Venture has filed a writ petition before the High Court of Himachal Pradesh challenging this decision of GoHP. Should an adverse order be passed, we may no longer have a right to develop the Kutehr project and this may have a material adverse affect on our business, financial condition and results of operation.

15. We depend on various contractors to construct and develop our projects, some of whom supply sophisticated and complex machinery to us.

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

The execution risk we face include:

- contractors hired by us may not be able to complete construction and installation on time, within budget or to the specifications and standards that have been set in the contracts with them;

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

- delays in meeting project milestones or achieving commercial operation by the scheduled completion date could increase the financing costs associated with the construction and cause our forecast budgets to be exceeded or result in delayed payment to us by customers, invoke liquidated damages or penalty clauses, or result in termination of contracts;

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

- contractors may not be able to recover the amounts that we have invested in construction contracts if the assumptions contained in the feasibility studies for these projects do not materialise;

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

- as we expand geographically, we may have to use contractors with whom we are not familiar, which could increase the risk of cost overruns, construction defects and failures to meet scheduled completion dates.

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

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

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

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

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

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

We intend to develop our own employee base to perform these services in the future, but this will depend on our ability to attract and retain key personnel. Competition for management and industry experts in the industry is intense. Our future performance depends on our ability to identify, hire and retain key technical, support, engineers, and other qualified personnel. Failure to attract and retain such personnel could have a material adverse impact on our business, financial condition and results of operations.

18. We may not be able to establish new off-take arrangements for our power generation facilities on terms acceptable to us or at all.

We currently have 3,670 MW of generating capacity operational, under construction or implementation. In addition, we have identified additional power generation projects with a proposed combined installation capacity of 9,600 MW. As power plants are currently not permitted to sell electricity directly to retail power customers, the customer base for our power projects without PPAs is limited to state utility companies, electricity boards, or industrial consumers and licensed power traders. It is likely that any decision by these entities regarding the purchase of power from us will depend upon a variety of factors, some of which are beyond our control, including the demand for power, the availability of alternative sources of supply, and the competitiveness of the various potential power producers. The risk that customers will not extend or renew PPAs upon expiration is heightened in the case of short-term PPAs. We also propose to participate in various competitive bidding and there is no assurance that we will be the successful bidder in any of these bids. Further, we cannot assure you that we will be able to enter into off-take arrangements to ensure continuous demand for our power, or at all, despite the existing demand supply gap for power in India. Failure to enter into or renew off-take arrangements in a timely manner and on terms that are commercially acceptable to us could adversely affect our financial condition, results of operations and business prospects.

19. Our obligations to provide power under long-term PPAs may have no relationship to our actual costs to supply this power.

Power tariffs in India under long-term PPAs are established either through competitive bidding or regulated by central or state regulators. To the extent tariffs are determined by state regulators, the price at which we sell power may have little or no relationship to the cost to us of supplying this power under our long-term PPAs. Unless a regulator agrees, we may be limited in our ability to pass on to a customer the price increases and other increased costs such as capital and other expenditure required for our power plants.

In the case of competitive bids, the expected 10-30 year duration of our future long-term PPAs means that the revenue structure will be set over the life of the contract. We will not be able to pass on to a customer the fuel price increases and other increased costs to the extent these agreements do not include escalation clauses. We cannot assure that we will always be able to negotiate escalation clauses on terms that are favourable to us which means that our margins on the sale of power and profitability are largely a function of how effectively we manage costs during the term of those agreements.

20. Merchant power projects are subject to regulatory and tariff risks.

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

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

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

- Regulatory and/or political risk. Competition is designed to achieve lower generation tariffs to benefit the general public. Under this regulated scenario, if merchant power plants are able to achieve higher returns for an extended period of time, regulators may then seek ways to reduce generation tariffs, either by cost-based bidding, price caps, or state-owned utilities bidding irrationally;

- Regulators may decrease the ROE on tariff below the current 14.00% for new proposals as part of their periodic review of the tariffs.

21. Imported coal contracts are subject to escalation and take-or-pay risks.

We have secured firm linkages for imported coal from three suppliers. These contracts are subject to cost escalations clauses, which means that fuel prices will be passed onto us and we may be required to absorb these costs if we are unable to pass on these costs to customers. We are also subject to penalties when our fuel off-take is less than our contracted commitment.

22. The structure of our short-term PPAs may expose us to certain risks.

We expect to enter into short-term PPAs, which may create additional variability in our revenues and could expose our business to risks of market fluctuations in demand and price for power. In particular, we may not find buyers at short notice for the desired quantity and desired time for our power. In the case of short-term PPAs, the prices we receive may have little or no relationship to the cost to us of supplying this power. This means that our margins for the sale of power may fluctuate considerably as we will not be able to pass on to customers variable costs such as fuel and transportation costs, grid transmission costs, import duties on fuel, and capital costs.

23. The terms of our off-take arrangements may not match the terms of our financing arrangements.

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

24. ***Our customers may have weak credit histories.***

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

25. ***We may face difficulties enforcing the state government guarantee provided under some of our PPAs.***

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

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

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

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

We plan to trade a portion of the power from some of our power plants when they achieve commercial operation. Our ability to develop a profitable power business is in large part dependent on the success of our trading and risk management policies and strategies. We only started the business of power trading in 2005 when we established our subsidiary, JSWPTC, and we have recently implemented our trading, marketing and risk management policies. Thus, our trading and risk management procedures may not always be followed or may not work as planned. As a result, we cannot predict with precision the impact that trading, marketing and risk management decision may have on our financial results and business prospects.

In addition, our trading and risk management activities are exposed to the risk that counterparties that owe us money or energy will breach their obligations. Should counterparties fail to perform, we may be forced to enter into hedging arrangements or honour the underlying commitment at then-current market prices. We may incur losses which may in turn adversely affect our financial results.

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

Accidents or malfunctions involving assets of project companies may have an adverse affect on our financial condition, results of operation and business prospects. Thermal power plants are complex, operate at high temperatures and involve the use of hazardous materials. As a result, they are susceptible to industrial accidents. Further, power projects rely on sophisticated and complex machinery that is built by third parties and is susceptible to malfunction. This is particularly true in the current industry environment, which involves rapid technological developments and often involves the installation of newly developed equipment which has not been extensively field tested. Although in certain cases manufacturers provide warranties and performance guarantees, and may be required to compensate the project company for certain equipment failures, engineering and design defects, such arrangements are subject to time limits, fixed liability caps and may not fully compensate for the damage that a project company suffers or the penalties under agreements with its customers.

Furthermore, we require the continued support of certain original equipment manufacturers to supply necessary services and spare parts to maintain our projects at affordable cost. If we are not able to procure the required services or spare parts from these manufacturers (for example, as a result of the bankruptcy of the manufacturer), or if the cost of these services or spare parts exceed the budgeted cost, there may be a material adverse impact on our business, financial condition and results of operations.

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

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

In addition, the operation of power plants involves many operational risks, including the breakdown or failure of generation equipment or other equipment or processes, labour disputes, fuel interruption, and operating below expected levels. PPAs, including ours, generally require a power supplier to guarantee certain minimum performance standards, such as plant availability and generation capacity. The tariffs we charge are also typically arrived at assuming a certain heat rate and other technical norms. If our facilities do not meet the required performance standards, our customers may be entitled to reduce the fixed charge capacity payment. In addition, our customers will not reimburse us for any increased costs arising as a result of our plants' failure to operate and maintain the power plants in accordance with the required performance standards or within the agreed norms, and we will have to bear the additional costs associated with such inefficiencies. This may in turn affect our financial condition, results of operations and business prospects.

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

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

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

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

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

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

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

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

RISKS RELATED TO OUR COMPANY

32. We rely on the JSW Group which is part of O.P. Jindal Group for certain key aspects of our business as well as ancillary support services.

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

We cannot assure you that our affiliates will enter into definitive agreements on the basis of the non-binding arrangements or if they do, that those agreements will be on terms commercially acceptable to us. Since affiliates of the O.P Jindal group or JSW group will have multiple roles with respect to us, we may be limited in our ability to negotiate agreements with our affiliates to obtain the most favourable terms for us. If they do or have entered into definitive agreements with us, they may terminate their arrangements with us and there can be no assurance that we will be able to enter into alternative arrangements on similar terms. Failure to make alternative arrangements in a timely manner and on terms commercially acceptable to us could have a material adverse impact on our business, financial condition and results of operations.

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

33. Our promoters will continue to hold a substantial interest after the Issue.

Our Promoters and Promoter Group will collectively own approximately 81.6% of our post Issue paid up Equity Capital and will continue to have the ability to exercise a controlling influence over our business, and may cause us to take actions that are not in the best interests of the Company, if at all, including matters relating to our management and policies and the election of our directors and senior management, the approval of lending and investment policies, revenue budgets, capital expenditure, dividend policy and strategic acquisitions. Some of the Promoter Group companies may get involved in businesses similar to those of the Company which could lead to competition between them and conflicts of interest. There is no assurance that the Promoter Group companies will not provide competitive services or expand their presence in the business in which the Company is already present, or the Promoters will not invest in companies in direct competition with the Company. The Promoters or the Promoter Group is not obligated to provide any business opportunities identified by them to the Company. If the Promoter Group companies enter into or expand their presence in businesses, or the Promoters invest in another company, in competition with the Company, the Company will lose the substantial financial support provided to the Company by the Promoters and the Promoter Group, which would materially adversely affect our business, financial condition and results of operations. Additionally, many of our Directors and senior management also serve as directors of, or are employed by, our affiliated companies. Our Promoters will be able to influence our major policy decisions, including our overall strategic and investment decisions, by controlling the election of our Directors and, in turn, indirectly controlling the selection of our senior management, determining the timing and amount of any dividend payments, approving our annual budgets, deciding on increases or decreases in our share capital, determining our issuance of new securities, approving mergers, acquisitions and disposals of our assets or businesses, and amending our articles of association.

34. The interests of our controlling shareholders and our affiliates may cause significant conflicts of interest in the ordinary course of our business.

Conflicts may arise in the ordinary course of decision making for our company. Among other situations, conflicts may arise in connection with our negotiations and dealings with members of the JSW Group or O.P. Jindal group. For example, we have entered into a number of MOUs with JSW Steel and other members of the JSW group and may face conflicts in negotiating definitive agreements between our affiliates and us. For a description of these MOUs, see “Description of Certain Key Contracts” on page [•] of this Draft Red Herring Prospectus. Conflicts will also arise in the allocation of resources, including key personnel, contractors and intellectual property, between the JSW group and us.

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

We expect to have a substantial amount of ongoing transactions with other affiliated companies. For more details, see “Financial Statements - Related Party Transactions” of this Draft Red Herring Prospectus.

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

We believe that we will need significant additional capital to finance our business plan. Currently, we estimate that we will need to raise Rs. 99,375.00 million in debt to finance our Identified Projects, which has already been tied up. The implementation of our projects is also subject to a number of variables and the actual amount of capital requirements to implement these projects may differ from our internal estimates and the project development may face cost overruns. For example, we have applied for 'mega-power' status for our 1,200 MW power plant under construction, whereby we will receive excise and customs duty exemptions. If we do not obtain 'mega-power' status, we would incur additional costs and our current estimated costs of Rs. 45,000 million will not be sufficient and we will need to seek additional funding. If the actual amount and timing of future capital requirements differs from our estimates, we may need additional financing and we cannot assure you that such financing will be available to us on commercially acceptable terms, if at all.

We have so far been able to arrange for debt financing for our projects under construction and implementation. We cannot assure you that market conditions and other factors will permit future financing of projects on commercially acceptable terms, if at all. Our ability to continue to arrange for financing on a substantially non-recourse basis for our power projects and the costs of such capital is dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the success of our current power projects including our ability to secure favourable power purchase, fuel supply and operation and maintenance agreements, and other factors outside our control. In addition, lenders may require the Company to invest increased amounts of equity in a project in connection with both new loans and the extension of facilities under existing loans.

Our ability to finance our capital expenditure plans is subject to a number of risks, contingencies and other factors, some of which are beyond our control, including tariff regulations, borrowing or lending restrictions, if any, imposed by the RBI, the amount of dividends that can be paid to our shareholders and general economic and capital market conditions. Furthermore, adverse developments in the Indian and international credit markets may significantly increase our debt service costs and the overall cost of our funds. We cannot assure you that the Company will be able to raise adequate capital in a timely manner and on acceptable terms, if at all. The Company's failure to obtain adequate financing on acceptable terms may result in a delay, scaling back, or abandonment of future projects and/or have a material adverse impact on the implementation of existing projects, project costs and schedules.

For most of our projects, we intend to finance approximately 25% of the cost with equity and approximately 75% of the cost with third-party debt. While we believe that this division reflects the current market for financing power projects in India, this standard could change or financial institutions or investors could require additional contributions from us. If this occurs, it would reduce our leverage for the project being financed and could negatively impact our expected returns.

36. We may not be able to raise additional capital to fund the balance of costs for Identified Projects.

The Net Proceeds we expect to receive from the Issue only cover part of the estimated cost to complete the Identified Projects. We may have to raise an additional amount (including undisbursed debt amounts) of approximately Rs. 97,334.60 million to fund the balance of costs for such Projects. We have entered into Loan Agreements and have obtained letters of intent from various banks for up to Rs. 99,375.00 million. The letters of intent requires us to enter into definitive agreements within four months of the dates of these letters. We may not be able to reach agreement with these banks and financial institutions in the given time period, in which case they would have no obligation to arrange such loans for us. For more details, see "Objects of the Issue – Means of Finance" on page [•] of this Draft Red Herring Prospectus.

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

The implementation of the Identified Projects is also subject to a number of variables and the actual amount of capital requirements to implement the Identified Projects may differ from our estimates. If we experience a significant increase in capital requirements or delays with respect to the implementation of the Identified Projects, we may need additional financing and we cannot assure you that such financing source will be available to us on commercially acceptable terms, or at all. Failure to raise all the necessary capital will have a material adverse impact on the implementation of the Identified Projects, project costs and schedules and in turn on our business, financial condition and results of operations.

37. We have substantial indebtedness.

As of December 31, 2007, we had an indebtedness of Rs. 14,192.00 million.

Our ability to meet our debt service obligations and to repay our outstanding borrowings will depend primarily upon the cash flow generated by our business. We cannot assure you that we will generate sufficient cash to enable us to service existing or proposed borrowings, comply with covenants or fund other liquidity needs. If we fail to meet our debt service obligations or financial covenants required under the financing documents, the relevant lenders could declare us in default under the terms of our borrowings, accelerate the maturity of our obligations or take over the financed project. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay these borrowings. Failure to meet our obligations under the debt financing arrangements could have a material adverse effect on our cash flows, business and results of operations. In addition, our future borrowings may contain restrictive covenants and events of default that could limit our ability to undertake certain types of transactions and could adversely affect our liquidity. Recently, interest rates for borrowings have increased in India, which may increase the cost of our borrowing. For more information regarding our indebtedness, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness” and “Our Indebtedness” beginning on pages [●] and [●], respectively, of this Draft Red Herring Prospectus.

38. We are subject to restrictive covenants in certain debt facilities provided to us by our lenders.

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

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

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

40. Our power projects carry risks which may not be fully covered by insurance policies to cover our economic losses.

Power projects carry many risks, which, to the extent they materialise, include:

- political, regulatory and legal actions that may adversely affect a project’s viability;
- changes in government and regulatory policies;
- delays in construction and operation of projects;

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

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

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

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

In addition, we do not have director and officer insurance and business interruption insurance policies. Insurance policies may not be available to us at economically acceptable premiums, or at all, in the future at any time that we may seek to purchase such insurance.
Should an uninsured loss or a loss in excess of insured limits occur, the Company would lose its investment in the relevant project company.

41. Mining operations are subject to risks that may not be adequately covered by insurance.

Mining operations are subject to hazards and risks normally associated with the exploration, development and production of natural resources, any of which could disrupt our operations or cause damage to persons or property. The occurrence of industrial accidents, such as explosions, fires, transportation interruptions and inclement weather as well as any other events with negative environmental consequences, could adversely affect our operations by disrupting its ability to extract minerals from the mines it operates or exposing us to significant liability. We may incur significant costs, which may not be adequately covered by insurance that could have a material adverse effect on its results of operations and financial condition.

42. The Company holds investments in its power plants through subsidiaries and in the future, its financial results will increasingly depend on the performance of these subsidiaries, in particular the payment of dividends, for its revenue.

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

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

In addition, in the event of a bankruptcy, liquidation or reorganisation of such a subsidiary or joint venture, the Company only has a shareholder's claim against the assets of such subsidiary or joint venture which is subordinate to the claims of lenders and other creditors. Under these loans, the position of the lenders is further protected with a floating charge over all assets including dividend payments by, and all cash of, these subsidiaries and joint venture. This effectively, means that the lenders have a first priority lien over any distribution made from assets upon the occurrence of an event of default. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements for new projects, financial condition and results of operations.

43. Contingent liabilities could adversely affect our financial condition.

As of September 30, 2007 we had contingent liabilities in the following amounts, as disclosed in our restated consolidated financial statements:

Particulars	(Rs. in millions)
Bank Guarantee Outstanding	2,297.50
Income Tax Matters	107.02

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

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

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

As our power business is capital intensive, the Company is exposed to interest rate risk. The Company is seeking to finance growth in part, with debt, which means that any increase in interest expense may have an adverse effect on the Company's financial results and business prospects. The Company's current debt facilities carry interest at fixed rates with the provision for periodic reset of interest rates as well as variable rates. As of September 30, 2007, Rs. 7,800.35 million, or 84.76% of the Company's total debt on a consolidated basis was subject to variable rates.

In view of the high debt to equity ratios of the project company subsidiaries, typically 3 to 1 or 4 to 1, an increase in interest expense at the project company level is likely to have a significant adverse effect on the project company's financial results and also increase the cost of capital to the Company which will, in turn, reduce the value of projects to the Company.

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

45. We have applied to FIPB in relation to the Non resident holding of 8.41% of our share capital.

In April 2005, two non resident companies acquired Equity Shares in the Company, which presently constitute 8.41% of our share capital from a resident shareholder. The Company believes that the transaction complied with applicable foreign investment laws at that time. We have now applied to FIPB for continuation of this non resident holding in our Company and for classifying the Issuer as an Operating cum Holding company due to the non resident holding of 8.41% and pursuant to the setting up of subsidiary companies by the Company.

In the event the FIPB is of the view that such acquisition by the Non residents is in breach of applicable foreign investment laws, the non- resident shareholding may have to be transferred.

46. ***There were shortfalls in the performance of one of our Promoter Group companies when compared to the promises made in its last public issue.***

JSWSL, one of our Promoters Group undertook simultaneous public issue of equity shares and 14% secured redeemable partly convertible debentures in 1995. There were shortfalls in the performance of these offerings when compared against the projections made in the offer documents. For more details, see “Our Promoters and Promoter Group” on page [●] of this Red Herring Prospectus.

47. ***If investors who opt for Payment Method-1 (partly paid shares) do not pay the Balance Amount Payable, the amount raised through the Issue will be lower than the proposed Issue size. Furthermore, Equity Shares issued to investors who opt for Payment Method-1 will not be traded until the time these Equity Shares become fully paid.***

The Balance Amount Payable, if any, may not be paid and the amount raised through the Issue may be lower than the proposed Issue size. In the event of such shortfall, the extent of the shortfall will be made by way of such means available to our Company and at the discretion of the management, including by way of incremental debt or cash available with us. Furthermore, Equity Shares, if any, issued pursuant to Payment Method-1, will, not be traded after the date of allotment until the Balance Amount Payable is received, the Equity Shares have been fully paid-up and corporate actions for credit of such Equity Shares into demat accounts of the successful allottees has been taken and receipt of listing and trading approval from the Stock Exchange. The process of corporate action may take about two weeks from the Due Date for Balance Amount Payable. During this period, shareholders who pay the Balance Amount Payable for the partly paid Equity Shares will not be able to trade in those Equity Shares. For more details see “The Issue” on page [●] of this Red Herring Prospectus.

48. ***We do not own the “JSW” trademark, and our ability to use the trademark, name and logo may be impaired.***

The “JSW” trademark, name and logo do not belong to us. The “JSW” trademark belongs to a promoter group company and we make use of it through an informal arrangements with our promoter group company as a member of the JSW Group. If the JSW Group withdraws, refuses to renew or terminates this arrangement, we will not be able to make use of the “JSW” trademark, name or logo in connection with our business and consequently, we may be unable to capitalize on the brand recognition associated with the JSW Group. Accordingly, we may be required to invest significant resources in developing a new brand.

For further details, see “Our Business — Intellectual Property” on page [•] of this Draft Red Herring Prospectus.

49. ***We have applied for, but have not yet received, consents from Power Finance Corporation Limited for this Issue.***

Under our loan agreement with Power Finance Corporation Limited, we are required to seek its consent to be able to offer new Equity Shares in the Issue. We have not yet received its consent and by way of its letter dated January 16, 2008, it has informed us that our request for its consent is under consideration. If we do not receive the consent in a timely manner, this Issue will be delayed. In addition, we also await their waiver for requirement to pledge certain Equity Shares held by our Promoter and Promoter Group as security for the loan granted by them.

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

We expect our growth strategy will place significant challenges and demands on the Company's management, financial and other resources and it may not be successful in expanding its business in accordance with its business plan. The Company's ability to successfully implement its business plan requires adequate information systems and resources and oversight from senior management. The Company will need to continuously develop and improve its financial, internal accounting and management controls, reporting systems and procedures as it continues to grow and expand its business. As the Company grows, it must continue to hire, train, supervise and manage new employees. The Company may not be able to hire, train, supervise and manage sufficient accountants and other personnel or develop financial, internal accounting and managerial controls, reporting systems and procedures to manage its expansion effectively.

51. Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.

We expect to employ many employees once we commence operations at our power projects. There can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

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

Furthermore, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, we may be required to retain such contract labourers as our employees. Any such order from a court or any other regulatory authority may adversely affect our business and results of our operations.

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

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

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

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

In the future, we may acquire additional power generation development projects, existing power plants or related businesses that we believe are a strategic fit with our business. However, we may not be able to identify acquisition or investment opportunities that are commercially acceptable to us, or complete the acquisition and the development of the projects as anticipated. Acquisition of new power projects and or existing power plants may also require substantial due diligence and integration efforts. Although we may attempt to minimize the risks associated with an acquisition by conducting an investigation of the project and related matters, our investigation may not uncover all material risks associated with such an acquisition, some of which may entail significant costs or expose us to unanticipated liabilities. We also may not be able to successfully integrate any acquired power plant into our operations without significant expenditures of operating, financial and management resources, if at all, and may not be able to realize the anticipated benefits of such acquisitions. Failure to acquire new power projects or existing power plants, complete the project development as scheduled or integrate the acquired power plant into our business could adversely impact our business, financial condition and results of operations.

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

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

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

55. Meteorological changes and changes in water flow may affect our prospective hydroelectric generation capacity.

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

Hydroelectric power generation depends on the level of water in different periods of the year. We therefore expect that our operating results would be more favourable during the monsoon season. The substantial rainfall during these months generally leads to high generation because sufficient water is available to allow our power plants to be operated at full capacity. However, we would expect operating results to be less favourable during the remainder of the year when there is less water available. This is particularly the case during the winter season, when the water flow for our prospective hydroelectric projects in the north can be obstructed or reduced because of freezing.

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

Accordingly, adverse hydrological conditions whether seasonal or for an extended period of time, which result in lower, inadequate and/or inconsistent water flow may render our prospective hydroelectric power plants incapable of generating adequate electrical energy, thus affecting our results of operations and financial condition.]

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

We are defendants in legal proceedings incidental to our business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable, excluding contingent liabilities but including amounts claimed jointly and severally from us and other parties. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities.

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

Our Company

There is a writ petition pending against the Company, amongst others, pertaining to allocation of the Kutehr project.

There is one income tax appeal pending before the Karnataka High Court. The amount involved is Rs. 233 million.

Our Subsidiaries

JSWERL:	There is a public interest petition filed challenging the environment clearance granted to the 1,200 MW project executed by JSWERL. There is an appeal filed before the NEAA, Delhi challenging the environment clearance granted by the MoEF to the 1,200 MW project.
RWPL:	There is a writ petition filed challenging the permission granted to RWPL to operate the lignite mining and the power plant.

Our Directors

Mr. Sajjan Jindal:	There is a penalty proceedings initiated against Mr. Sajjan Jindal involving Rs. 0.07 million.
Mr. Prashant R. Deshpande:	An appeal has been filed by Mr. Deshpande against the order of the Commissioner of Income Tax (Appeal II), Bangalore for treating agriculture income as income from other sources, which was disallowed by the Income Tax Authorities. The total amount involved in this matter is Rs. 0.20 million.

Our Promoters

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

Our Promoter Group

Promoter/Promoter Group	Nature and Number of Case	Amount involved
JSPL	16 central excise show cause notices	Rs. 26.48 million
	9 central excise appeals	Rs. 10.69 million
	1 commercial tax notice	Rs. 0.07 million
	2 electricity cases	Amount not ascertainable
JSWSL	8 central excise show cause notices	Rs. 140.03 million
	1 central excise appeal	Rs. 1200 million
	16 consumer cases	Rs. 0.46 million
	3 writ petition	Rs. 21.74 million
	7 customs show cause notices	Rs. 413.21 million
	2 SLPs	Rs. 130 million
	1 criminal case	Amount not ascertainable
	1 civil case	Rs. 19.25 million
	Miscellaneous	Rs. 3.00 million
	2 excise show cause notices	Rs. 0.66 million
JSL	7 customs show cause notices	Rs. 1.55 million
	1 sales tax show cause notice	Rs. 62.63 million
	4 civil cases	Rs. 0.94 million
JSLL	1 excise tax case	Rs. 2.1 million
	1 excise show cause	Rs. 200.29 million
	1 writ petition	Rs. 155.70 million
	1 PCB show cause notice	
	Miscellaneous	Rs. 19 million

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

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

57. ***We expect to receive certain tax benefit, which may not be available to us in the future.***

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

Risks Relating to this Issue and Investment in our Equity Shares

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

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

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

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

Any future equity issuances by us, including in a primary offering, may lead to the dilution of investors' shareholdings in our Company. After the completion of the Issue, our Promoters and Promoter Group will own, directly and indirectly, approximately 81.6% of our outstanding Equity Shares. Any sales of a large number of our Equity Shares by our Promoters and Promoter Group could adversely affect the market price of our Equity Shares. Similarly, the perception that any such primary or secondary sale may occur could adversely affect the market price of our Equity Shares.

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

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

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 US. 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.

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

We intend to use the Net Proceeds that we receive from the Issue for the purposes described in "Objects of the Issue" on page [●] of this Draft Red Herring Prospectus. Our management may determine that it is appropriate to revise our estimated costs, fund requirements and deployment schedule owing to factors.

Further, pending utilization of the Net Proceeds of the Issue and other financings, we intend to invest such Net Proceeds in interest-bearing liquid instruments including money market mutual funds, bank deposits as approved by our Board of Directors. Although the utilisation of the net proceeds from the Issue and other financings will be monitored by the Board of Directors and the

Monitoring Agency, there are no limitations on interim investments that we can make using such Net Proceeds. In addition, Rs. [●] million has been allocated to general corporate purposes and will be used at the discretion of the management.

EXTERNAL RISK FACTORS

Risks Relating to our Industry

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

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

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

The Electricity Act, 2003 provides for complete deregulation of the power sector and envisions a comprehensive change in the current regulatory structure. We cannot envisage the future industry scenario in light of these changes and it could have a material effect on our business prospects and results of operations.

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

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

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

We believe environmental regulation of industrial activities in India will become more stringent in the future. The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with certainty. The costs and management time required to comply with these requirements could be significant. The measures we implement in order to comply with these new laws and regulations may not be deemed sufficient by Government entities and our compliance costs may significantly exceed our estimates. If we fail to meet environmental requirements, we may also be subject to administrative, civil and criminal proceedings by Government entities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as revocation of approvals and permits and orders that could limit or halt our operations. There can be no assurance that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, the costs of which could be material. Clean-up and remediation costs, as well as damages, other liabilities and related litigation, could adversely affect our business, financial condition and results of operations.

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

Our business operations may be adversely affected by severe weather conditions, which may require the evacuation of personnel, suspension or curtailment of operations, result in damage to construction sites or delays in the delivery of materials. Collectively, the effect may be to cause delays to our contract schedules and generally reduce our productivity. Our operations are also adversely affected by difficult working conditions and high temperatures during summer months and during the monsoon season which restricts our ability to carry on construction activities and fully utilise our resources. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our income from operations may be delayed or reduced.

Risks Relating to India

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

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

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

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

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

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

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

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

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in Asian emerging market countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

68. If inflation worsens, our results of operations and financial condition may be adversely affected.

In 2006, India's wholesale price inflation index suggested an increasing inflation trend compared to recent years. An increase in inflation in India could cause a rise in the price of transportation, wages, raw materials or any other of our expenses. If this trend continues, we may be unable to reduce our costs or pass our increased costs along to our customers and our results of operations and financial condition may be materially and adversely affected.

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

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

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

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

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

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

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

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

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

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

Notes to Risk Factors:

(a) The net worth of our Company was Rs. 11,168.20 and Rs. 9,513.42 million as of March 31, 2007 and September 30, 2007, respectively, as per our restated consolidated financial statements.

(b) The NAV/ book value per Equity Share of Rs. 10 each was Rs. 21.66 and Rs. 18.48 as of March 31, 2007 and September 30, 2007, respectively, as per our restated consolidated financial statements.

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

Mr. Sajjan Jindal - Rs. 6.74 per Equity Share
Mr. P.R. Jindal - Rs. 6.76 per Equity Share
Sun Investments Private Limited – Rs. 9.06 per Equity Share
JSW Investments Private Limited – Rs. 23.95 per Equity Shares

(d) This is a public Issue of 63,225,000 Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating to Rs. [●]. The Issue comprises a Net Issue of 61,225,000 Equity Shares to the public and a reservation of up to 2,000,000 Equity Shares for subscription by Eligible Employees. The Issue and the Net Issue will constitute 10.94% and 10.59%, respectively, of the post Issue paid-up capital of the Company.

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

(f) In accordance with Rule 19 (2)(b) of the SCRR, this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue will be allocated on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, up to 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

(g) In case of over-subscription in all categories, at least 60% of the Net Issue shall be available for allocation on a proportionate basis to QIB Bidders, 5% of which shall be available for allocation on a proportionate basis to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. Furthermore, at least 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

(h) Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue Portion at the discretion of the BRLMs and the Company. In case of under subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post Issue capital of the Company. If at least 60% of the Net Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

(i) For details of related party transactions, please see "Related Party Transactions" on page [●] of this Draft Red Herring Prospectus.

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

(k) Investors are advised to refer to the section titled "Basis for Issue Price" on page [●] of this Draft Red Herring Prospectus.

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

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

SECTION III: INTRODUCTION

SUMMARY OF OUR BUSINESS

Overview

We are a growing energy company with 3,670 megawatts, or MW, of generating capacity in the operational, construction or implementation phase. In addition, we have power generation projects at an early stage under development with a proposed combined installed capacity of 9,600 MW. It is our goal to become a leading full-service integrated power company in the Indian power sector with presence across the value chain. Currently most of our revenue is derived from power generation. We are also one of the early entrants in the power trading business. In order to achieve our goal, we are currently exploring options in the power transmission business, power distribution business, generation through non-conventional energy sources, and considering opportunities to tie-up with well-known equipment manufacturers and suppliers.

The Company was incorporated in 1994, with the objective to develop, construct and operate power plants. The Company is a part of the JSW Group, which is in turn a part of the O.P. Jindal Group, and the JSW Group is headed by Mr. Sajjan Jindal. The JSW Group has a presence in the steel, power, cement, aluminium, software, and infrastructure sectors, with revenue in excess of Rs. 62,500 million for the six months ended September 30, 2007. As at December 31, 2007, the JSW Group employed more than 7,000 employees. As part of the JSW Group, we benefit from group synergies, including access to talent, competitive financing terms, and access to critical equipment and suppliers.

Our power plants are planned to be diverse in geographic location, fuel source and off-take. As part of our power generation business, we currently own and operate a 260 MW power plant in Karnataka and are expanding our generation capacity by 3,410 MW through construction and implementation of five new power plants in Karnataka, Maharashtra, Rajasthan and Himachal Pradesh. Each project is planned to be strategically located either near an available fuel source, load centre or infrastructure facilities. We intend to sell the power generated by our projects under an optimal combination of long-term and short-term power off-take agreements to state-owned utilities and some industrial consumers.

We have been engaged in power trading activities since June 2006. According to the Central Electricity Regulatory Commission, or "CERC", website, we are one of the top five power trading companies in India, by volume, for the quarter ended September 30, 2007. CERC has granted us an "F" category license, the highest license category, to trade power in India.

As part of our strategy to be present in the power sector value chain, we plan to enter the transmission business and, as a first step, we have incorporated JSWPTC which is intended to carry out all transmission related activities.

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

The Company's consolidated revenues have grown from Rs. 5,505.28 million in fiscal 2003 to Rs. 8,115.48 million in fiscal 2007, at a CAGR of 8.07%. Our earnings before interest, tax, depreciation and amortisation has increased from Rs. 2,631.58 million in 2003 to Rs. 4,623.23 million in 2007, at a CAGR of 11.93%. Our profit after tax has increased from Rs. 214.62 million in fiscal 2003 to Rs. 2,904.50 million in fiscal 2007, at a CAGR of 68.38%.

The Company's quality and environmental management systems are certified to be in compliance under ISO 9001:2000 and ISO 14001: 2004.

Strengths:

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

- *We are an established power company*. We have been in the business of power generation since 2000 and our profit after tax has grown from Rs. 214.6 million for Fiscal 2003 to Rs. 2,904.50

million for Fiscal 2007, at a CAGR of 68.38%. We believe we have realized this growth because we are an established power company with a track record, industry experience, and a sound understanding of the power industry in India. As a result, we have been able to identify new opportunities, capitalize on our strengths, position ourselves as an early participant in power trading, and have planned expansions to our generation assets through a structured approach:

- We have a combination of long- and short-term power purchase arrangements which balance the risks and returns associated with each arrangement. Without compromising our risk management policies, our profitability over the past two years has significantly improved as we have increased the sale of power through short-term power purchase agreements in lieu of long-term power purchase agreements;

- We identified the benefits of power trading and synergy with our generation assets and have emerged as one of the top five power trading companies in India, by volume, for quarter ended September 30, 2007; and

- Our early presence in the power trading business has given us new insights and enabled us to build relationships with key power off-take consumers. This is expected to be beneficial in the long-term as the business matures when reliance on experience and range of services will be essential.

- *Roll-out projects currently under construction between Fiscal 2009 – Fiscal 2011 and pipeline of additional power projects under implementation and development.* We believe that our project management expertise allows us to 'fast-track' several power projects at the same time so that revenues can be realized from these projects on an accelerated basis. For our three projects with an aggregate capacity of 2,880 MW currently under construction and located at different sites in India we were able to achieve financial closure after having obtained necessary construction approvals from different state governments, taken possession of land, and placed orders for all critical long-delivery orders for plant and equipment. We believe these three projects are currently ahead of schedule and we expect to achieve commercial operation and begin earning revenue between March 2009 and October 2010.

  Our pipeline of five power generating assets under operation, construction and implementation has an aggregate capacity of 3,670 MW. These projects have all been structured to capitalize on a matrix of benefits including fuel type, fuel location, site location, load centers, and infrastructure availability:

  - our 260 MW operational power plant as well as construction of the 600 MW power plant in Vijayanagar, Karnataka are located adjacent to the existing facility of the JSWSL plant. As a member of the JSW Group, we are able to capitalize on the shared infrastructure facilities of JSWSL.

  - The 1,200 MW power plant is located at a port in Jaigarh, Ratnagiri, Maharashtra ensuring lower transportation costs for raw materials. Further, we are located in a region in the country with high demand and a high deficit of power.

  - The 1,080 MW lignite based power project at Barmer, Rajasthan is a pit-head based project providing control over the raw material availability. The additional 270 MW power plant under development at Barmer uses the infrastructure that is already available.

  - The 260 MW Kutehr Hydel power project will ensure utilisation of hydroelectric energy for power generation.

  We plan to complement these projects with a further 9,600 MW comprising five additional projects which are currently under development. These projects are expected to achieve commercial operation between 2011 and 2013.

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

- *Track record of operating power projects in an efficient manner*. For our existing 260 MW operational power plant we have achieved the following performance parameters which evidence efficient plant operation:

  - a high plant availability, with an average of 96.4% since commercial operation began in 2000 through December 31, 2007;

  - a high plant load factor, or "PLF", with an average PLF of 90.56% from the date of achieving commercial operation in 2000 through December 31, 2007; and

  - the low percentage of auxiliary consumption of our operational power plant, with an average of 6.89% from the date of achieving commercial operation in 2000 through December 31, 2007.

  We follow best practices for the 230 MW captive power plant that we operate and manage for JSWSL and which has also achieved similar performance efficiencies. We believe our track record of operating and maintaining power plants enables us to replicate these best practices when our five power plants under construction and implementation become operational.

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

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

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

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

- *Experience in Project Management.* We and the JSW Group have a track record of building and commissioning four power plants with a total generating capacity of 550 MW. On account of this expertise, we have gained valuable insights and developed direct relationships with vendors and equipment suppliers and are currently constructing and implementing five power plants at four locations capable of generating power aggregating to 3,410 MW. Based on progress to date, we believe that all the projects currently under construction and implementation are likely to achieve commercial operation earlier than the scheduled commercial operations date specified by lenders. We have achieved timely financial closure, for three of our projects aggregating to a generation capacity of 2,880 MW, and have received sanction letters for two projects under implementation with an aggregate capacity of 530 MW. On account of timely achievement of financial closure, we have commenced work on the projects ahead of schedule.

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

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

Our Strategy

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

- *Achieve End-to-End integration.* We intend to build an integrated energy business with a reliable fuel supply and a presence across generation, transmission, distribution and power trading including through conventional and non-conventional energy sources. To achieve an end-to-end integrated energy business model, we are pursuing organic and in-organic growth as well as partnering with well-known equipment manufacturers and suppliers.

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

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

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

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

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

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

  We also intend to develop most of our power projects in a 800 MW configuration using super critical technology in order to take advantage of lower costs associated with power generation using this technology.

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

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

For a summary of the industry we operate in, see "Industry" on page [•] of the Draft Red Herring Prospectus.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the restated consolidated and standalone financial statements of the Company as of and for the six months ended September 30, 2007 and 2006, and as of and for the fiscal years ended March 31, 2007, 2006, 2005, 2004 and 2003, ,'included in the section "Financial Statements" beginning on page [•] of this Draft Red Herring Prospectus.

Indian GAAP differs in certain significant respects from IFRS and U.S. GAAP. For more information on these differences, see "Summary of Significant Differences among Indian GAAP, IFRS and U.S. GAAP", beginning on page [•] of this Draft Red Herring Prospectus.

CONSOLIDATED RESTATED STATEMENT OF ASSETS & LIABILITIES

(Rs. Million)

	Particulars	As at September 30, 2007	2006	As at March 31, 2007	2006
A.	**Goodwill on Consolidation**	171.36	0.03	171.36	0.03
B.	**Fixed Assets**				
	Gross Block (at cost)	10,938.57	10,890.63	10,865.17	10,730.73
	Less: Depreciation	4,445.44	3,863.11	4,152.19	3,567.04
	Net Block	**6,493.13**	**7,027.52**	**6,712.98**	**7,163.69**
	Capital Work in Progress (including capital advance)	10,841.60	919.10	2,779.31	116.13
	Total	**17,334.73**	**7,946.62**	**9,492.29**	**7,279.82**
C.	**Investments**	**196.84**	**3,760.91**	**3,675.07**	**3,454.91**
D.	**Current Assets, Loans and Advances**				
	Inventories	253.90	214.30	231.25	214.50
	Sundry Debtors	693.00	4,867.85	3,899.23	4,675.03
	Cash & bank balances	2,166.18	1,474.35	2,745.09	448.37
	Loans and advances	1,137.70	338.84	1,034.69	249.42
	Total	**4,250.78**	**6,895.34**	**7,910.26**	**5,587.32**
	Total Assets (A+B+C+D)	**21,953.71**	**18,602.90**	**21,248.98**	**16,322.08**
E.	**Liabilities & Provisions**				
	Advance towards Share Capital	**137.90**	**800.00**	**-**	**-**
	Minority Interest	**800.42**	**0.40**	**800.29**	**0.25**
	Loan funds				
	Secured Loans	9,197.55	3,841.21	6,045.10	4,383.10
	Unsecured Loans	5.78	1,005.78	1,025.78	5.78
	Deferred Tax Liability	619.10	506.84	559.24	442.93
	Current Liabilities & Provisions				
	Liabilities	1,297.46	576.92	1,142.37	369.56
	Provisions	382.08	582.71	527.94	1400.06
	Total	**12440.29**	**7313.86**	**10100.72**	**6601.68**
F	**Net worth [(A+B+C+D) – E]**	**9,513.42**	**11,289.04**	**11,148.26**	**9,720.40**
	Represented by:				
	Share Capital	3,468.00	3,468.00	3,468.00	2,890.00
	Reserves & Surplus	6,045.42	7,821.04	7,680.26	6,830.40
	Total	**9,513.42**	**11,289.04**	**11,148.26**	**9,720.40**

CONSOLIDATED RESTATED STATEMENT OF PROFITS AND LOSSES

(Rs. Million)

Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,	
	2007	2006	2007	2006
Income				
Income from Operations: -				
Sale of Power Generated	4,157.10	3,032.92	7,339.87	5,307.97
Power Traded	80.96	0.14	298.70	-
Sale of Certified Emission Reductions (CER's)	3,275.63	-	-	-
Operator Fees	82.20	41.60	130.70	110.32
Total Income from Operations	**7,595.89**	**3,074.66**	**7,769.27**	**5,418.29**
Other income	134.04	131.10	346.21	70.53
Total Income	**7,729.93**	**3,205.76**	**8,115.48**	**5,488.82**
Expenditure				
Purchase of Power	80.46	0.13	296.31	-
Cost of Fuel	1,419.12	1,226.00	2,647.72	2,558.07
Employees Cost	75.08	39.34	87.81	61.65
Operation, Maintenance & Other Expenses	276.60	269.55	460.41	380.60
Total Operating Expenses	**1,851.26**	**1,535.02**	**3,492.25**	**3,000.32**
Profit Before Interest, Depreciation, Tax and Amortisation (PBIDTA)	**5,878.67**	**1,670.74**	**4,623.23**	**2,488.50**
Interest and Finance Charges	376.25	203.30	629.79	497.39
Depreciation	292.05	296.17	583.05	579.61
Amortisation of Preliminary & Share issue Expenses	0.18	-	-	-
Profit Before Tax	**5,210.19**	**1,171.27**	**3,410.39**	**1,411.50**
Provision for:				
Current Tax (including Fringe Benefit Tax)	620.44	115.95	389.59	109.67
Deferred Tax	59.87	63.84	116.30	113.00
Profit After Tax (A)	**4,529.88**	**991.48**	**2,904.50**	**1,188.83**
Adjustments: - (Refer Note No. 5 (a) in Annexure IV-B)				
Sale of Certified Emission Reductions (CER's)	(3,275.63)	-	-	162.75
Preliminary and Share Issue Expenses written off /Interest & Finance Charges	-	(0.70)	(77.48)	-
Total Adjustments	**(3,275.63)**	**(0.70)**	**(77.48)**	**162.75**
Less: Tax Impact of adjustments	(369.13)	-	-	18.44
Total Adjustments after tax impact (B)	**(2906.50)**	**(0.70)**	**(77.48)**	**144.31**
Net Profit before minority interest, as restated (A+B)	**1,623.38**	**990.78**	**2,827.02**	**1,333.14**
Less: Minority Interest	0.01	0.01	0.02	-
Net Profit after minority interest, as restated	**1,623.37**	**990.77**	**2,827.00**	**1,333.14**
Adjusted Earnings Per Share (Basic & Diluted) (Rs.)	3.15	2.30	5.99	3.11
	(Not annualised)			

CONSOLIDATED RESTATED CASH FLOW STATEMENT

(Rs. Million)

	Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,	
		2007	**2006**	**2007**	**2006**
A	**Cash Flow from Operating Activities**				
	Net Profit before tax as restated	**1934.56**	**1170.57**	**3332.91**	**1574.25**
	Adjustment for:				
	Depreciation	292.05	296.17	583.05	579.60
	Interest Income	(80.10)	(14.10)	(63.23)	(5.60)
	Dividend Income	-	(116.80)	(281.80)	(64.20)
	Amortisation of preliminary and share issue expenses	0.18	-	-	-
	Loss on Sale of Fixed Assets	0.92	(0.10)	0.28	0.40
	Loss on Sale of Long Term Investments	-	-	-	33.80
	Interest & finance charges	377.30	203.30	629.99	497.39
	Foreign Exchange Gain	(52.35)	-	-	-
		538.00	**368.47**	**868.30**	**1041.39**
	Operating profit before working capital changes	**2472.56**	**1539.04**	**4201.21**	**2615.64**
	Adjustments for:				
	Changes in Trade and other Receivables	3125.31	(208.90)	332.58	(18.85)
	Changes in Trade and other Payables	5.46	293.96	659.39	55.98
	Changes in Inventories	(22.70)	0.20	(16.70)	(10.40)
	Loans & Advances	199.80	(64.10)	(234.25)	183.21
	Cash from operations	**5780.43**	**1560.20**	**4942.23**	**2825.58**
	Income Taxes Paid	(409.96)	(64.05)	(397.64)	(103.91)
	Net cash from operating activities	**5370.47**	**1496.15**	**4544.59**	**2721.67**
B	**Cash Flow from Investing Activities**				
	Purchase of Fixed Assets including Intangible Assets, CWIP & Preop. Exp.	(8037.51)	(964.26)	(3202.76)	(106.57)
	Interest Income	80.10	14.10	45.80	5.60
	Dividend Income	-	116.80	299.23	64.21
	Investment in Subsidiaries (including advances)	199.99	(306.00)	(220.91)	(3.80)
	Preliminary expenses incurred	(0.18)	-	-	-
	Sale of Fixed Assets	0.85	0.80	0.76	0.71
	Net cash from/ (used in) investing activities	**(7756.75)**	**(1138.56)**	**(3077.88)**	**(39.85)**
C	**Cash Flows from Financing Activities**				
	Proceeds from further equity issued	90.00	1378.00	1378.00	-
	Proceeds from/(Repayments of) Borrowings (Net)	2153.42	458.10	2695.00	(1778.13)
	Interest & finance charges paid	(436.05)	(343.91)	(641.99)	(491.59)
	Dividend Paid	-	(823.80)	(2801.00)	-
	Net cash from/ (used in) financing activities	**1807.37**	**668.39**	**630.01**	**(2269.72)**
	Net (Decrease) / Increase in cash and cash equivalents	**(578.91)**	**1025.98**	**2096.72**	**412.10**
	Cash and cash equivalents at beginning of year/ period	2535.09	438.37	438.37	26.26
	Cash and cash equivalents at end of year/ period	1956.18	1464.35	2535.09	438.37

Notes:

1. Cash and cash equivalents exclude balance in margin money.

2. Being a non cash transaction, Demerger of Investment Division does not have any impact on above statement.

THE ISSUE

Issue of Equity Shares*	**63,225,000 Equity Shares**
Employee Reservation Portion*	2,000,000 Equity Shares
Net Issue to the Public*	**61,225,000 Equity Shares**
Of which:	
Qualified Institutional Buyers (QIBs) Portion	Not less than [●] Equity Shares
of which	
Available for Mutual Funds only	[●] Equity Shares
Balance of QIB Portion (available for QIBs including Mutual Funds)	[●] Equity Shares
Non-Institutional Portion	Not less than [●] Equity Shares#
Retail Portion	Not less than [●] Equity Shares#
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	514,755,233 Equity Shares
Equity Shares outstanding after the Issue	577,980,233 Equity Shares

Use of Issue Proceeds

See "Objects of the Issue" on page [●] of this Draft Red Herring Prospectus for information about the use of the Issue Proceeds.

Allocation to all categories, including the Employee Reservation Portion, shall be made on a proportionate basis.

* The Company is considering a Pre-IPO Placement of Equity Shares with various investors ("Pre-IPO Placement"). The Pre-IPO placement is at the discretion of the Company. The 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 Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue size of 10% of the post Issue paid up capital being offered to the public.

\# Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue Portion at the discretion of the BRLMs and the Company. In case of under subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post Issue capital of the Company. If at least 60% of the Net Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

Payment Methods

The Payment Methods available to investors to apply in this Net Issue are as follows:

Amount Payable per Equity Share (Rs.)	Payment Method -1@			Payment Method -2		
	Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees			Any Category***		
	Face Value	Premium	Total	Face Value	Premium	Total
On Application	[●]	[●]	[●]	[●]	[●]#	[●]#
By Due Date for Balance Amount Payable **	[●]	[●]#	[●]#	-	-	-
Total	[●]	[●]#	[●]#	[●]	[●]#	[●]#

Note: Non-Residents require the approval of RBI for subscribing to partly paid up Equity Shares and copy of such approval should be submitted along with the Bid-cum-Application Form.

@ See page [●] for risks associated with Payment Method - 1

** Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees opting for Payment Method 1 shall be required to make the payment of the Balance Amount Payable by the Due Date for Balance Amount Payable. The notice of the Balance Amount Payable will also be published in two widely circulated newspapers (one each in English and Hindi) and a regional newspaper along with the statutory advertisement for the Basis for Allotment.

*** Bidders in QIB category will be required to make payment of 10% of the Bid Amount multiplied by the number of Equity Shares bid, with the balance being payable on allocation.

Retail Discount of Rs. [●], if applicable, to be adjusted.

Key Features of the Payment Methods

1) *Payment Method – 1*

a) Only Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees are eligible for this method. QIBs cannot submit a Bid under this Payment Method.

b) While bidding, the Bidder shall make a payment of Rs. [●] per Equity Share, irrespective of the Bid Price. Investors should note that the total Bid Amount will be used to determine whether a Bid is in the Retail Individual category, Non-Institutional category, Eligible Employees whose Bid Amount does not exceed Rs. 100,000 or not, and not the amount payable on submission of Bid-Cum-Application Form.

c) Under Payment Method-1, of the Rs. [●] paid while bidding, Rs. [●] would be adjusted towards face value of the Equity Shares and Rs. [●] shall be towards share premium of the Equity Shares applied for.

d) At the time of allotment:

1. If the amount paid by the Bidder is equal to or higher than the total amount payable (being the Issue Price multiplied by the number of shares allotted, net of Retail Discount) by the Bidder on the Equity Shares allotted to the Bidder, we reserve the right to adjust the excess amount towards the Balance Amount Payable and issue fully paid Equity Shares only. The excess amount, if any, after adjusting the Balance Amount Payable shall be refunded to the Bidder (i.e., Refund = Total amount paid on bidding minus the total amount payable on the shares allotted).

2. If the amount paid by the Bidder is less than the total amount payable by the Bidder (being the Issue Price multiplied by the number of shares allotted, net of Retail Discount) on the Equity Shares allotted to the Bidder, we reserve the right to adjust the excess of the amount received from the Bidder over the Amount Payable on

Submission of Bid-cum-Application Form towards the Balance Amount Payable and issue a Call Notice for the balance.

3. The notice of the Balance Amount Payable will also be published in two widely circulated newspapers (one each in English and Hindi) and a regional newspaper along with the statutory advertisement for the Basis for Allotment.

e) Equity Shares in respect of which the Balance Amount Payable remains unpaid may be forfeited, at any time after the Due Date for Balance Amount Payable.

f) Indicative timetable for payment and corporate action with respect to Balance Amount Payable under d (2) above:

Sr. No.	Event	Indicative Time Period (On or around)
a.	(i) Basis of Allotment	Day X – 9 days
	(ii) CAN along with the Call Notice, including a statement of Balance Amount Payable per allotted share, issued to the successful Bidders opting for Payment Method-1	
b.	Listing of shares	Day X
c.	Period (21 days) during which shareholders may make payment for the Balance Amount Payable (at the designated bank branches to be announced)	Day X + 12 days
d.	Corporate action for appropriation of Balance Amount Payable and for credit of fully paid shares to the demat accounts of shareholders who have paid the amount	Day X + 26 days

INVESTORS PLEASE NOTE THAT THESE SHARES WILL NOT BE TRADED UNTIL THE DATE OF CORPORATE ACTION FOR CREDIT OF FULLY PAID UP EQUITY SHARES TO THE DEMAT ACCOUNT OF SUCH ALLOTTEES AND LISTING AND TRADING APPROVAL FROM THE STOCK EXCHANGE IS RECEIVED ON THESE SHARES. SEE RISK FACTORS ON PAGE [●] OF THIS DRAFT RED HERRING PROSPECTUS.

ALL NON RESIDENT BIDDERS AVAILING THE OPTION OF PAYMENT METHOD-1 ARE REQUIRED TO SUBMIT A COPY OF AN APPROVAL FROM THE RBI ALLOWING THEM TO SUBSCRIBE TO THE PARTLY-PAID UP EQUITY SHARES.

THE BALANCE AMOUNT PAYABLE, IF ANY, MAY NOT BE PAID AND THE AMOUNT TO BE RAISED THROUGH THE ISSUE/ NET ISSUE MAY BE LOWER THAN THE PROPOSED ISSUE SIZE.

2) Payment Method – 2

a) Bidders under any category can choose this method.

b) While bidding, the Bidder shall have to make the full payment (Bid Amount multiplied by number of Equity Shares bid, net of Retail Discount, if applicable) for the equity shares bid. Bidders in QIB category will be required to make payment of 10% of the Bid Amount multiplied by the number of Equity Shares bid, with the balance being payable on allocation but before allotment.

3) Illustration of Payment Methods (Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue)

Illustration of the payment methods available to the investors for applying in this Issue are as follows:

I. This illustration is for the benefit of the investors and should not be indicative of the Issue

Price.

Assumptions:

- *Issue Price Rs. 100 per equity share*
- *Under Payment Method–1, Rs. 25.0 is payable on submission of the Bid-cum-Application Form, and*
- *Under Payment Method – 1, out of the Amount Payable on Application, Rs. 2.5 is towards face value and Rs. 22.5 is towards premium.*

Amount Payable (In Rs.) (per share)	**Payment Method -1**			**Payment Method -2**		
	Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees			**Any Category*****		
	Face Value	**Premium**	**Total**	**Face Value**	**Premium**	**Total**
On Application	2.5	22.5	25.0	10.0	90.0	100.0
By Due Date for Balance Amount Payable **	7.5	67.5	75.0	-	-	-
Total	**10.0**	90.0	100.00	**10.0**	90.0	100.0

** Retail Individual Bidders, Eligible Employees and Non-Institutional Bidders opting for Payment Method 1 shall be required to make the payment of the Balance Amount Payable by the Due Date for Balance Amount Payable.

*** Bidders in QIB category will be required to make payment of 10% of the Bid Amount multiplied by the number of equity shares bid, with the balance being payable on allocation.

II. Comparison of Payment Methods using different application sizes based on the above assumptions:

Payment Method	**1**	**2**	**1**	**2**	**1**	**2**	**1**	**2**	**1**	**2**
	Illustration 1		**Illustration 2**		**Illustration 3**		**Illustration 4**		**Illustration 5**	
Application (no. of equity shares)	150		100		200		400		500	
Subscription (times)	3.00		2.00		1.33		4.00		10.00	
Allotment (no. of equity shares)*	**50**		**50**		**150**		**100**		**50**	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Amount Paid on Application	3750.0	15,000.0	2,500.0	10,000.0	5,000.0	20,000.0	10,000.0	40,000.0	12,500.0	50,000.0
Refund, if any	Nil	10,000	Nil	5,000	Nil	5,000	Nil	30,000	7,500	45,000
By Due Date for Balance Amount Payable	1,250.0	Nil	2,500.0	Nil	10,000.0	Nil	Nil	Nil	Nil	Nil
Total Amount payable on allotment	5,000.0	5,000.0	5,000.0	5,000.0	15,000.0	15,000.0	10,000.0	10,000.0	5,000.0	5,000.0

Payment Method	1	2	1	2	1	2	1	2	1	2
	Illustration 1		Illustration 2		Illustration 3		Illustration 4		Illustration 5	
Type of share issued	Not tradable till corporate action for credit of fully paid shares and receipt of listing and trading approval from the stock exchange	Fully paid-up and tradable	Not tradable till corporate action for credit of fully paid shares and receipt of listing and trading approval from the stock exchange	Fully paid-up and tradable	Not tradable till corporate action for credit of fully paid shares and receipt of listing and trading approval from the stock exchange	Fully paid-up and tradable	Fully paid-up and tradable	Fully paid-up and tradable	Fully paid-up and tradable	Fully paid-up and tradable

* Assuming allotment arrived based on the Basis of Allocation and as per the mechanism described in the "Issue Procedure" on page [●] and approved by the Stock Exchanges.

In the event the Issue under the retail category is oversubscribed by 4 or more times as explained in the Illustration 4 and Illustration 5 in the table above, no further amount will be payable on allotment. Excess amount after adjusting the full amount payable for the shares allotted will be refunded.

In the event the Issue under the retail category is subscribed less than 4 times as explained in Illustration 1 to 3 above, the successful bidders under Payment Method-1 will be required to pay the Balance Amount Payable.

Excess amount after adjusting the Balance Amount Payable for the allotted shares will be refunded. The balance amount shall have to be paid by the Due Date for Balance Amount Payable.

Every Retail Individual Bidder, Non-Institutional Bidder or Eligible Employee should indicate the choice of Payment Method (i.e. Payment Method-1 or Payment Method-2 as applicable) in the Bid cum-Application Form, subject to the Bidder's eligibility for the Payment Method. Once the choice is indicated, the Bidder should not revise the selection. No Bidder can select both the Methods in a Bid-cum-Application Form. In case no Payment Method is selected and the full Bid Amount is paid, then the default Payment Method would be Payment Method-2.

Important note:

If investors who opt for Payment Method-1 do not pay the Balance Amount Payable, the amount raised through the Issue will be lower than the proposed Issue size. In the event of such shortfall, the extent of the shortfall will be made by way of such means available to our Company and at the discretion of the management, including by way of incremental debt or cash available with us.

Further, shares issued to investors who opt for Payment Method-1 will not be traded till the corporate action for credit of fully paid shares and receipt of listing and trading approval from the stock exchange is completed. The Equity Shares of which the Balance Amount Payable has not been paid within the prescribed time limit are liable for forfeiture. The shortfall due to forfeiture may be made up by re-issue of the forfeited Equity Shares.

GENERAL INFORMATION

Registered Office of our Company	Corporate Office of our Company
JSW Energy Limited Jindal Mansion 5A, G. Deshmukh Marg Mumbai 400 026 Maharashtra Tel: (91 22) 2351 3000 Fax: (91 22) 2352 6400 Registration Number: 11-77041 Company Identification Number: U74999MH1994PLC077041	**JSW Energy Limited** The Enclave Behind Marathe Udyog Bhavan New Prabhadevi Road Prabhadevi Mumbai 400025 Tel: (91 22) 2423 8000 Fax: (91 22) 2432 0740

Address of Registrar of Companies

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

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

Board of Directors

Our Board comprises the following:

Name and Designation	DIN
Mr. Sajjan Jindal Chairman Non – Executive Director	00017762
Mr. N.K. Jain Vice – Chairman Non – Executive Director	00019442
Mr. S.S. Rao Joint Managing Director and CEO Executive Director	00150816
Mr. Siby Antony Nominee Director of IDBI - Independent Director	00075909
Mr. P. Suresh Nominee Director of ICICI	00624907
Mr. D.J. Balaji Rao Independent Director	00025254
Mr. P. Abraham Independent Director	00280426
Mr. Chandan Bhattacharya Independent Director	01341570
Mr. Prashant R. Deshpande Independent Director	00105184

For further details of our Directors, see “Our Management” on page [●] of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

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

The Enclave
Behind Marathe Udyog Bhavan
New Prabhadevi Road
Prabhadevi
Mumbai 400025
Tel: (91 22) 2423 8000
Fax: (91 22) 2432 0740
Email: ipo.jswenergy@jsw.in

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

Book Running Lead Managers

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

Kotak Mahindra Capital Company Limited
3rd Floor, Bakhtawar
229 Nariman Point
Mumbai 400 021
Tel: (91 22) 6634 1100
Fax: (91 22) 2283 7517
Email: jswel.ipo@kotak.com
Investor Grievance Id: kmcceredressal@kotak.com
Website: www.kotak.com
Contact Person: Mr. Chandrakant Bhole
SEBI Registration Number: INM000008704

Credit Suisse Securities (India) Private Limited
9 Floor, Ceejay House
Plot F, Shivsagar Estate
Dr. Annie Besant Road, Worli
Mumbai 400 018
Tel: (91 22) 6777 3777
Fax: (91 22) 6777 3820
E-mail: list.jswenergy@credit-suisse.com
Investor Grievance Id: list.igcellmer-bnkg@credit-suisse.com
Website: www.credit-suisse.com/asiapac/india/
Contact Person: Mr. Kushal Doshi
SEBI Registration No.: INM000011161

Deutsche Equities India Private Limited
DB House, Hazarimal Somani Marg,
Fort, Mumbai 400 001
Tel: (91 22) 6658 4600
Fax: (91 22) 2200 6765
E-mail: jswenergy.ipo@db.list.com
Investor Grievance Id: db.redressal@db.com
Website: www.db.com/India
Contact Person: Mr. Abhishek Pandey
SEBI Registration No.: INM000010833

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg,
Churchgate, Mumbai 400 020
Tel: (91 22) 2288 2460
Fax: (91 22) 2882 6580
E-mail: project_shakti@isecltd.com
Investor Grievance Id: customercare@isecltd.com
Website: www.icicisecurities.com
Contact Person: Ms. Apeksha Jain
SEBI Registration No.: INM000011179

J.P. Morgan India Private Limited
9th floor, Mafatlal Centre,
Nariman Point, Mumbai 400021
Tel: (91 22) 2285 5666
Fax: (91 22) 6639 3091
Email: JSW_Energy_IPO@jpmorgan.com
Investor Grievance Id:
investorsmb.jpmipl@jpmorgan.com
Website: www.jpmipl.com
Contact Person: Mr. Sagarnil Pal
SEBI Registration No.: INM000002970

SBI Capital Markets Limited
202, Maker Towers ‘E’,
Cuffe Parade,

IDFC - SSKI Private Limited*
803-4 Tulsiani Chambers,
8th Floor, Nariman Point,

Mumbai 400 005
Tel: (91 22) 2218 9166
Fax: (91 22) 2218 8332
E-mail: jswenergy.ipo@sbicaps.com
Investor Grievance Id: investor.relations@sbicaps.com
investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Mr Nishit Mathur
SEBI Registration No.: INM000003531

Mumbai 400 021.
Tel: (91 22) 6638 3333
Fax: (91 22) 2204 0282
E-mail: jswel.ipo@idfcsski.com
Investor Grievance Id: complaints@idfcsski.com
Website: www.sski.co.in
Contact Person: Mr. Mahesh Kabra
SEBI Registration No.: INM000010254
*name being changed from SSKI Corporate Finance Private Limited, subject to regulatory approvals

UBS Securities India Private Limited
2/F, Hoechst House
Nariman Point
Mumbai 400 021
Tel: (91 22) 2286 2000/ 6630 9000
Fax: (91 22) 2281 4676
E-mail: jswenergy@ubs.com
Investor Grievance Id: customercare@ubs.com
Website: http://www.ibb.ubs.com/Corporates/indianipo/
Contact Person: Mr Avi Mehta
SEBI Registration No.: INM000010809

Syndicate Members

[●]

Legal Advisors

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

Domestic Legal Counsel to the Underwriters
Khaitan & Co.
Meher Chambers
4th and 5th Floor
R K Marg, Ballard Estate
Mumbai 400 038
Tel: (91 22) 6636 5000
Fax: (91 22) 6636 5050

International Legal Counsel to the Underwriters

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

Registrar to the Issue

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

Bankers to the Issue and Escrow Collection Banks

[●]

Bankers to the Company

ICICI Bank Limited
Corporate Institutional Banking Division,
ICICI Bank Towers,
No. 1, Commissariat Road,
Bangalore 560025
Phone : (91 80) 41296000
Fax : (91 80) 41124611

State Bank of India, CAG-Central
Corporate Center
3rd Floor, State Bank Bhavan
Madame Cama Road
Mumbai 400 021
Phone: (91 22) 2288 3023
Fax: (91 22) 2267 9203
Email: satya.meher@sbi.co.in

Punjab National Bank
1st Floor, Vokkaligara Sangha Building
Hudson Circle
Bangalore 560027
Phone: (91 80) 2222 1093
Fax : (91 08) 2227 8794

Vijaya Bank
J.V.S.L., Toranagallu
Bellary
Karnataka
Phone: (91 8395) 250 680

State Bank of Mysore
Industrial Finance Branch
Ramanashree Arcade
No. 18, M.G. Road
Bangalore 560001
Phone: (91 08) 2559 6901
Fax : (91 08) 2558 3642

Auditors to the Company

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

Monitoring Agency

[●]

Inter Se Allocation of Responsibilities between the BRLMs

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

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital Structuring with relative components and formalities such as type of instruments, etc.	ALL	JMF
2.	Due diligence of Company's operations / management / business plans / legal etc. Drafting and design of Red Herring Prospectus including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, ROC and SEBI including finalisation of Prospectus and ROC filing.	ALL	JMF
3.	Drafting and approval of all statutory advertisement	ALL	KMCC
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including corporate advertisement, brochure etc.	ALL	KMCC
5.	Appointment of other intermediaries viz., Registrar's), Printers, Advertising Agency and Bankers to the Issue	ALL	KMCC
6.	Preparation of Road show presentation	ALL	KMCC

Sr. No.	Activity	Responsibility	Co-ordination
7.	International Institutional Marketing strategy * Finalise the list and division of investors for one to one meetings, in consultation with the Company, and * Finalizing the International road show schedule and investor meeting schedules	ALL	KMCC
8.	Domestic institutions / banks / mutual funds marketing strategy * Finalise the list and division of investors for one to one meetings, institutional allocation in consultation with the Company. * Finalizing the list and division of investors for one to one meetings, and * Finalizing investor meeting schedules	ALL	ISEC
9.	Non-Institutional and Retail marketing of the Issue, which will cover, inter alia, * Formulating marketing strategies, preparation of publicity budget * Finalise Media and PR strategy * Finalising centers for holding conferences for press and brokers * Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Issue material	ALL	JMF
10.	Co-ordination with Stock Exchanges for Book Building Software, bidding terminals and mock trading.	ALL	KMCC
11.	Finalisation of Pricing, in consultation with the Company	ALL	JMF
12.	The post bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post Offer activities for the Offer involving essential follow up steps, which include the finalisation of trading and dealing of instruments and demat of delivery of shares, with the various agencies connected with the work such as the registrar's) to the Issue and Bankers to the Issue and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company.	ALL	KMCC

Credit Rating

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

IPO Grading

This Issue has been graded by [●] as [●], indicating [●].

Experts

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

Trustee

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

Book Building Process

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is finalised after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

- The Company;
- The BRLMs;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the BRLMs;
- Registrar to the Issue; and
- Escrow Collection Banks.

In accordance with Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein not less than 60% of the Net Issue will be allocated on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If not less than 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

In accordance with the SEBI Guidelines, QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. In addition, QIBs are required to pay not less than 10% of the Bid Amount upon submission of the Bid cum Application Form during the Bid/Issue Period and allocation to QIBs will be on a proportionate basis. For further details, see "Terms of the Issue" on page [●] of this Draft Red Herring Prospectus.

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

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

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

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

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

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

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (see "Issue Procedure - Who Can Bid?" on page [●] of this Draft Red Herring Prospectus);

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

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

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

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

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares without assigning any reason therefore.

Bid/Issue Programme

BID/ISSUE OPENS ON	**[•]**
BID/ISSUE CLOSES ON	**[•]**

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 1.00 p.m. (Indian Standard Time)** and uploaded till (i) 5.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 100,000 and (ii) till such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000. Bidders are cautioned that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last date. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs and Syndicate members will not be responsible. Bids will be accepted only on Business Days.

The Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Guidelines provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue Opening Date.

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

Underwriting Agreement

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

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

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

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (in Rs. million)
JM Financial Consultants Private Limited 141, Maker Chambers III, Nariman Point Mumbai 400 021	[•]	[•]
Kotak Mahindra Capital Company Limited 3rd Floor, Bakhtawar, 229 Nariman Point, Mumbai 400 021	[•]	[•]
ICICI Securities Limited	[•]	[•]

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (in Rs. million)
ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020		
Credit Suisse Securities (India) Private Limited 9 Floor, Ceejay House, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018	[●]	[●]
Deutsche Equities India Private Limited DB House, Hazarimal Somani Marg, Fort, Mumbai 400 001	[●]	[●]
J.P. Morgan India Private Limited 9th floor, Mafatlal Centre, Nariman Point, Mumbai 400021	[●]	[●]
SBI Capital Markets Limited 202, Maker Towers 'E', Cuffe Parade, Mumbai 400 005	[●]	[●]
IDFC - SSKI Private Limited* 803-4 Tulsiani Chaambers, 8th Floor, Nariman Point, Mumbai 400 021 *name being changed from SSKI Corporate Finance Private Limited, subject to regulatory approvals	[●]	[●]
UBS Securities India Private Limited 2/F, Hoechst House, Nariman Point, Mumbai 400 021	[●]	[●]
[●]	[●]	[●]

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

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

CAPITAL STRUCTURE

The share capital of the Company as at the date of filing this Draft Red Herring Prospectus with SEBI is set forth below.

(Rs. millions, except share data)

	Aggregate nominal value	Aggregate Value at Issue Price
A. Authorised Share Capital		
1,000,000,000 Equity Shares of face value of Rs. 10 each	10,000.00	
B. Issued, Subscribed and Paid Up Share Capital before the Issue		
514,755,233 Equity Shares	5147.55	
C. Present Issue in terms of this Draft Red Herring Prospectus		
63,225,000 Equity Shares	632.25	**[●]**
Of which		
Employee Reservation of 2,000,000 Equity Shares	20	
Net Issue to the Public of 61,225,000 Equity Shares	612.25	
D. Equity Share Capital after the Issue	[●]	
577,980,233 Equity Shares	5,779.80	
E. Share Premium Account		
Before the Issue	0.00	
After the Issue	[●]	

The Company is considering a Pre-IPO Placement of Equity Shares with various investors ("Pre-IPO Placement"). The Pre-IPO placement is at the discretion of the Company. The Company will complete the issuance and allotment of such Equity Shares prior to filing the Red Herring Prospectus with the RoC pursuant to this Issue. 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 Net Issue size of 10% of the post Issue paid up capital being offered to the public.

Changes in Authorised Share Capital

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

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

Notes to the Capital Structure

1. Share Capital History of the Company

Equity Share Capital

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

Date of Allotment and when made fully paid up	Number of Equity Shares and nature of Allotment	Face value (Rs.)	Issue Price (Rs.)	Cumulative No. of Equity Shares	Cumulative Share Capital (Rs.)
June 30, 1995	1200 equity shares allotted pursuant to subscription to	10	10	1,200	12,000

Date of Allotment and when made fully paid up	Number of Equity Shares and nature of Allotment	Face value (Rs.)	Issue Price (Rs.)	Cumulative No. of Equity Shares	Cumulative Share Capital (Rs.)
	Memorandum of Association				
March 27, 1997	Further Allotment of 184,998,800 equity shares to i. Tractebel S.A., - 92,499,400 equity shares ii. JSW Steel Limited (Earlier Jindal Vijayanagar Steel Limited) – 55,314,000 equity shares iii. Gagan Trading Company Limited – 37,185,400 equity shares	10	10	185,000,000	1,850,000,000
March 31, 1998	Further Allotment of 5,40,00,000 equity shares to i. Tractebel S.A., - 27,000,000 equity shares ii. JSW Steel Limited (Earlier Jindal Vijayanagar Steel Limited) 27,000,000 equity shares	10	10	239,000,000	2,390,000,000
December 9, 1998	Further Allotment of 12,000,000 equity shares to i. Tractebel S.A., - 6,000,000 equity shares ii. JSW Steel Limited (Earlier Jindal Vijayanagar Steel Limited) - 6,000,000 equity shares	10	10	251,000,000	2,510,000,000
July 6, 1999	Further Allotment of 38,000,000 equity shares to i. Tractebel S.A., - 19,000,000 equity shares ii. JSW Steel Limited (Earlier Jindal Vijayanagar Steel Limited) - 19,000,000 equity shares	10	10	289,000,000	2,890,000,000
September 28, 2006	Rights Issue of 57,800,000 equity shares	10	10	346,800,000	3,468,000,000
December 28, 2007	Bonus Issue of 167,955,233 equity shares at 4,843 equity shares for every 10,000 equity shares	10	10	514,755,233	5,147,552,330

History of Equity Shares held by the Promoters

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

Sr. No	Date of Allotment /Transfer	Consideration (Cash, Bonus, kind, etc.)	No. of Shares	Face Value (Rs.)	Issue / Acquisition Price (Rs.)	% of Pre Issue Paid Up Capital
Mr. Sajjan Jindal (A)						
i.	June 30, 1995	Cash	100	10	10 Allotment	-
ii.	September 28, 2006	Cash	40,300,180	10	10 Allotment	7.83
iii.	December 28, 2007	Bonus	19,517,425	10	Bonus Allotment	3.79
		Total (A)	**59,817,705**			11.62
Mr. Prithvi Raj Jindal (B)						
i.	June 30,	Cash	100	10	10 Allotment	-

Sr. No	Date of Allotment /Transfer	Consideration (Cash, Bonus, kind, etc.)	No. of Shares	Face Value (Rs.)	Issue / Acquisition Price (Rs.)	% of Pre Issue Paid Up Capital
	1995					
ii.	December 28, 2007	Bonus	48	10	Bonus Allotment	-
		Total (B)	**148**	**10**		-
JSW Investments Private Limited (C)						
I	January 9, 2007	Cash	144,499,400	10	35.55 Transfer	28.07
ii	December 28, 2007	Bonus	69,981,059	10	Bonus Allotment	13.60
		Total (C)	**214,480,459**	**10**		41.67
Sun Investments Private Limited (D)						
i.	December 12, 2001	Cash	3,780,000	10	37.89 Transfer	0.73
ii.	December 17, 2002	Cash	5,380,000	10	11.60 Transfer	1.05
iii.	December 20, 2004	Cash	55,000,000	10	11.60 Transfer	10.68
iv.	December 20, 2004	Cash	8,842,000	10	15.62 Transfer	1.72
v.	December 28, 2007	Bonus	35,354,868	10	Bonus Allotment	6.87
		Total (D)	**108,356,868**(1)	**10**		**21.05**
		Grand Total	**382,655,180**			**74.34**

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

2. Promoter's Contribution and Lock-in

Pursuant to the SEBI Guidelines, an aggregate of 20% of the post-Issue equity share capital of the Company shall be locked in by the Promoters for a period of three years from the date of Allotment in the Issue. The Equity Shares, which are being locked-in, are not ineligible for computation of Promoter's contribution under Clause 4.6 and 4.11 of the SEBI Guidelines. Equity shares offered by Promoters and offered for minimum promoter contribution are not subject to pledge.

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

Date of Allotment/ Acquisition	Consideration and Equity Share) (Rs.)	No. of Equity Shares	Issue / Acquisition Price (Rs.)	% of Pre-Issue paid-up capital	% of Post-Issue paid-up capital
Mr. Sajjan Jindal (A)					
September 28, 2006	Cash	9,381,587	10 Allotment	1.82	1.62
December 28, 2007	Bonus	19,517,425	Bonus	3.79	3.38

Date of Allotment/ Acquisition	Consideration and Equity Share) (Rs.)	No. of Equity Shares	Issue / Acquisition Price (Rs.)	% of Pre-Issue paid-up capital	% of Post-Issue paid-up capital
			Allotment		
	Total (A)	**28,899,012**		**5.61**	**5.00**
Sun Investments Private Limited (B)					
December 20, 2004	Cash	42,500,167	11.60 Transfer	8.26	7.35
December 20, 2004	Cash	8,842,000	15.62 Transfer	1.72	1.53
December 28, 2007	Bonus	35,354,868	Bonus Allotment	6.87	6.12
	Total (B)	**86,697,035**		**16.85**	15.00
	Grand Total	**115,596,047**		**22.46**	**20.00**

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

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

In terms of Clause 4.14.1 of the SEBI Guidelines, in addition to the lock-in of 20% of the post-Issue shareholding of the Promoters for three years, as specified above, the balance pre-Issue share capital of the Company (399,159,186 Equity Shares) shall be locked-in for a period of one year from the date of Allotment in the Issue. The promoters have given an undertaking to not sell/transfer/dispose of in any manner, Equity Shares forming part of the Promoters' contribution from the date of filing the Draft Red Herring Prospectus till the date of commencement of lock-in as per the SEBI Guidelines.

In terms of Clause 4.15 of the SEBI Guidelines, the locked-in Equity Shares held by the Promoters can be pledged only with banks or financial institutions as collateral security for any loans granted by such banks or financial institutions, provided that the pledge of shares is one of the conditions under which the loan is sanctioned. Further, Equity Shares locked in as minimum promoters' contribution may be pledged only in respect of a financial facility which has been granted for the purpose of financing one or more of the objects of the Issue.

In terms of Clause 4.16.1 (a) of the SEBI Guidelines, the Equity Shares held by persons other than Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to the continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

Further, in terms of Clause 4.16.1(b) of the SEBI Guidelines, the Equity Shares held by the Promoters may be transferred to and among the Promoter Group or to a new promoter 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 SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

3. Shareholding Pattern of the Company

a. Pre-Issue

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

	Pre-Issue		Post-Issue	
	Number of Equity Shares	**Percentage of Equity Share capital**	**Number of Equity Shares**	**Percentage of Equity Share capital**
Promoters				
Mr. Sajjan Jindal	59,817,705	11.62	59,817,705	10.35
Mr. Prithvi Raj Jindal	148	0.00	148	-
JSW Investments Private Limited (Formerly Samarth Holdings Private Limited)	214,480,459	41.67	214,480,459	37.11
Sun Investments Private Limited	108,356,868	21.05	108,356,868	18.75
Total Holding of Promoters	**382,655,180**	**74.34**	**382,655,180**	**66.21**
Promoter Group				
Vrindavan Services Private Limited	44,058,476	8.56	44,058,476	7.62
Mrs. Sangita Jindal	25,975,250	5.05	25,975,250	4.49
Gagan Trading Company Limited	18,783,964	3.65	18,783,964	3.25
Mr. Parth Jindal	890	0.00	890	-
Ms. Tanvi Jindal	890	0.00	890	-
Ms. Tarini Jindal	890	0.00	890	-
Jindal South West Holdings Limited	178	0.00	178	-
Nalwa Sons Investments Limited (earlier Jindal Strips Limited)	148	0.00	148	-
Mr. Ratan Jindal	148	0.00	148	-
Total Holding of Promoter Group	**88,820,834**	**17.26**	**88,820,834**	**15.36**
Total Holding of the Directors (other than Promoter Director)	**-**	**-**		
Others(1)	**43,279,219**	**8.40**	**43,279,219**	**7.49**
Issue			**63,225,000**	**10.94**
Total	**514,755,233**	**100.00**	**577,980,233**	**100.00**

(1) These Equity Shares are held by non-residents and We have now applied to FIPB for continuation of this non resident holding in our Company. See "Risk Factors - We have applied to FIPB in relation to the Non resident holding of 8.4% of our share capital" on page [●] of this Draft Red Herring Prospectus.

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

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

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

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding
1.	JSW Investments Private Limited	214,480,459	41.67
2.	Sun Investments Private Limited	108,356,868	21.05
3.	Mr. Sajjan Jindal	59,817,705	11.62
4.	Vrindavan Services Private Limited	44,058,476	8.56
5.	Mrs. Sangita Jindal	25,975,250	5.05
6.	Steel Traders Limited, Mauritius	23,748,800	4.61
7.	Indus Capital Group Limited, Mauritius	19,530,419	3.79
8.	Gagan Trading Company Limited	18,783,964	3.65
9.	Mr. Parth Jindal	890	0.00
10.	Ms. Tanvi Jindal	890	0.00
Total		**514,753,721**	**100.00**

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

S. No.	Name of Shareholders	Number of Equity shares	Percentage Shareholding
1.	JSW Investments Private Limited	214,480,459	41.67
2.	Sun Investments Private Limited	108,356,868	21.05
3.	Mr. Sajjan Jindal	59,817,705	11.62
4.	Vrindavan Services Private Limited	44,058,476	8.56
5.	Mrs. Sangita Jindal	25,975,250	5.05
6.	Steel Traders Limited, Mauritius	2,3748,800	4.61
7.	Indus Capital Group Limited, Mauritius	19,530,419	3.79
8.	Gagan Trading Company Limited	18,783,964	3.65
9.	Mr. Parth Jindal	890	0.00
10.	Ms. Tanvi Jindal	890	0.00
Total		**514,753,721**	**100.00**

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

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding
1.	JSW Steel Limited	144,499,400	50.00
2.	Sun Investments Private Limited	73,002,000	25.26
3.	Vrindavan Services Private Limited	29,685,000	10.27
4.	Steel Traders Limited,	16,000,000	5.54

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding
	Mauritius		
5.	Indus Capital Group Limited, Mauritius	13,158,000	4.55
6.	Gagan Trading Company Limited	12,655,100	4.38
7.	Nalwa Sons Investments Limited (earlier Jindal Strips Limited)	100	0.00
8.	Jindal South West Holdings Limited	100	0.00
9.	Mr. Sajjan Jindal	100	0.00
10.	Mr. Prithvi Raj Jindal	100	0.00
	Total	**288,999,900**	**100.00**

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

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

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

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

10. Subject to the Pre-IPO Placement, if any, there will be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed.

11. Subject to the Pre-IPO Placement, the Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except that if we enter into acquisitions, joint ventures or other arrangements, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

12. Only Eligible Employees would be entitled to apply in this Issue under the Employee Reservation Portion, on competitive basis. Bid/ Application by Eligible Employees can also be made in the "Net Issue" and such Bids shall not be treated as multiple Bids.

13. 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.

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

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

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

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

18. 214,480,459 Equity Shares held by one of our promoters, JSWIPL and 4,290,518 Equity Shares held by Vrindavan Services Private limited, one of our promoter group companies, are subject to pledge and an aggregate of 56,947,500 Equity Shares held by Mrs. Sangita Jindal, Gagan Trading Company Limited and Vrindavan Services Private limited, our promoter group members, are subject to a non-disposal undertaking.

19. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue Portion at the discretion of the BRLMs and the Company. In case of under subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post Issue capital of the Company. If at least 60% of the Net Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

    For further details, see "Issue Structure" beginning on page [●] of this Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

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

- To partially finance construction and development of the Identified Projects aggregating to 3,410 MW in capacity;

- Repayment of corporate debt; and

- General Corporate Purposes.

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

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

Particulars	(in Rs. million)
Gross proceeds of the Issue	[●]
Issue related expenses	[●]
Net Proceeds of the Issue	[●]

Utilisation of the Net Proceeds

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

(Rs. in million)

Project/Activity	Amount
Finance construction and development of the Identified Projects	29,186.50
Repayment of Corporate Debt	6,000.00
General Corporate Purposes (1)	[●]
Total	**[●]**

Note:
(1) Amount for general corporate purposes will be decided after the finalisation of the Issue price

We may have to revise our estimated costs and fund requirements owing to factors such as geological assessments, exchange or interest rate fluctuations, changes in design or configuration of the project, incremental rehabilitation, other preoperative expenses and other external factors which may not be within the control of our management. This may entail revising the planned expenditure and deployment schedule for the Identified Projects. See "Risk Factors –" on page [●] of this Draft Red Herring Prospectus. In the event of a shortfall in raising the requisite capital from the Net Proceeds of the Issue towards meeting the objects of the Issue, the shortfall will be satisfied by way of such means available to our Company and at the discretion of the management, including by way of incremental debt or cash available with us.

Also see, "Risk Factors- We may not be able to raise additional capital to fund the balance to fund of costs for Identified Projects" on page [●] of this Draft Red Herring Prospectus.

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

Funding the Projects

We intend to fund an aggregate amount of Rs. 29,186.50 million from the Net Proceeds to partially finance the development of the Identified Projects aggregating to 3,410 MW. These projects shall be funded either by way of contribution towards share capital or shareholder loan or a combination of the two. The particular composition and schedule of deployment of the investment will be determined by our Board based on the progress of the development of the Identified Projects. The projects for which the Net Proceeds is proposed to be utilized is set out below ("**Identified Projects**"):

S. No.	Name of the Project	Capacity	Location
1.	Vijayanagar-2	600 MW	Karnataka
2.	Ratnagiri	1,200 MW	Maharashtra
3.	RWPL Phase I	1,080 MW	Rajasthan
4.	RWPL Phase II	270 MW	Rajasthan
5.	Kutehr	260 MW	Himachal Pradesh

Vijayanagar – 2 is being developed by our subsidiary, JSWEVL in which we will hold 74% of the equity share capital upon completion of the project. Ratnagiri is being developed by our wholly owned subsidiary, JSWERL and RWPL Phase I and RWPL Phase II is being developed by another wholly owned subsidiary, RWPL and Kutehr is being developed by the Company itself.

Cost of the Identified Projects

(In Rs. million)

Sr. No.	Name of Project	Estimated Cost	Annual break up of the utilisation of Estimated Cost					Amount deployed as of December 15, 2007	Amount proposed to be financed from Net Proceeds	Amount proposed to be financed through third party debt
			Fiscal 2008, after December 15, 2007	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012 onwards			
1.	Vijayanagar-2	18,600.00#	5,819.00	7,289.30	0.00	0.00	0.00	5,491.70**@	1,560.90	13,950.00##
2.	Ratnagiri	45,000.00	4,100.00	16,800.00	16,500.00	4,290.00	0.00	3,310.00*	13,500.00	27,000.00
3.	RWPL Phase 1	50,000.00	7,700.00	15,950.00	15,550.00	4,631.10	0.00	6,168.90*	7,150.60	37,500.00##
4.	RWPL Phase 2	13,500.00	0.00	2,575.00	7,575.00	3,350.00	0.00	0.00	3,375.00	10,125.00
5.	Kutehr	14,400.00	0	500.00	1,000.00	2,750.00	10,150.00	0.00	3,600.00	10,800.00
	Total	**141,500.00**	**17,619.00**	**43,114.30**	**40,625.00**	**15,021.10**	**10,150.00**	**14,970.60@**	**29,186.50**	**99,375.00**

\# Out of this amount, Rs. 1,209.00 million is required to be contributed as equity by JSWSL.

* As certified by, Shah Gupta & Co., Chartered Accountants in their certificate dated December 27, 2007.

** As certified by, Lodha & Co., Chartered Accountants in their certificate dated January 4, 2008.

@ Out of this amount, Rs. 890.10 million has been contributed as equity by JSWSL.

\## Including, Rs. 2,272.60 million and Rs. 819.50 million already deployed for Vijayanagar-2 and RWPL Phase 1 respective.

Means of Finance

Means of Finance	Amount (Rs. In millions)
Debt	**99,375.00**
From Net Issue proceeds	29,186.50
Internal accruals/ Equity Contribution* (incurred as of December 15, 2007)	11,429.50
Internal Accruals/ Equity Contribution** (to be incurred)	1,509.00
Total	**141,500.00**

* Including contribution of Rs. 890.10 million from JSWSL in respect Vijayanagar-2.

** Including contribution of Rs. 318.90 million required from JSWSL in respect Vijayanagar-2.

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

Sl. No.	Name of the Bank/ Financial Institution	Project	Total Amount sanctioned	Amount outstanding as of December 31, 2007
1.	Industrial Development Bank of India and consortium (Loan Agreement dated October 6, 2006	Vijayanagar, Karnataka	13,950.00	3,982.91
2.	State Bank of India and consortium (Loan agreement dated August 2, 2007)	Ratnagiri, Maharashtra	27,000.00*	NIL
3.	ICICI Bank Limited and consortium (Loan Agreement dated September 3, 2007)	RWPL Phase I, Rajasthan	37,500.00	1,190.60
4.	ICICI Bank Limited (Letter of Intent dated December 28, 2007)	RWPL Phase II, Rajasthan	10,125.00	NIL
5.	ICICI Bank Limited (Letter of Intent dated December 27, 2007)	Kutehr, Himachal Pradesh	10,800.00	NIL
Total			**99,375.00**	

* The loan agreement has been executed for Rs. 33,750.00 million. However, we propose to draw down an amount of Rs. 27,000.00 million.

The aforesaid letters of intent from ICICI Bank Limited states that it is agreeable to provide financial assistance by way of a rupee term loan up to the amount mentioned therein to finance part of the cost of the respective projects. It is also stated that the financing agreements are required to be entered into within four months of these letters.

In view of above, the Company has made firm arrangements (as envisaged by clause 2.8 of the SEBI DIP Guidelines) for financing at least 75% of the financing requirements for the Identified Projects, after taking into account the financing proposed to be made out of the Net Proceeds of the Issue. For more details on the loan agreements mentioned above, see the section titled “Financial Indebtedness” on page [●] of this Draft Red Herring Prospectus.

Also see, “Risk Factors –We may not be able to raise additional capital to fund the balance of costs for Identified Projects” on page [●] of this Draft Red Herring Prospectus.

Description of Power Projects

1. 600 MW coal based power project in Vijayanagar (Karnataka)

The Vijayanagar Project has been appraised by Industrial Development Bank of India in accordance with the Information Memorandum dated June 2006 issued by it. The cost of setting up the 600 MW power plant is estimated at Rs. 18,600.00 million and is proposed to be financed at a debt to equity ratio of 75:25. For more details on the project and its status, please refer to the section titled “Our Business — Projects Under Construction — JSW Energy Vijayanagar Limited (“JSWEVL”) - 600 MW Power Plant, Vijayanagar, Karnataka” on page [●] of the Red Herring Prospectus.

The detailed break down of project cost as appraised by Industrial Development Bank of India is as follows:

(Rs. in million)

Particulars	Amount
Land and Site Development	115.00
Civil works and infrastructure	1,550.00
Plant and Machinery	14,402.00
Pre-operative Expenses and Miscellaneous Expenditure	145.20
Financial Cost	1,457.80
Contingencies provision	530.00
Margin Money for working capital	400.00
Total Project Cost	**18,600.00**

Land and Site Development

The site development cost would mainly include land levelling, filling, grading etc estimated at Rs. 115.0 million.

Civil works and infrastructure

The entire civil works and infrastructure is proposed to be implemented through contractor selected through bidding process. The cost estimates are based on quotations/ TCE's estimates/prevailing rates for civil and structural works at Toranagallu as per the company's experience in setting up similar project.

Plant and Machinery

The complete plant and machinery is proposed to be procured through various packages. This head includes the cost of plant and machinery includes BTG package, Coal handling system, Ash handling system, CW pumps and auxiliaries, DM plant, other electrical cost, erection and commissioning, project management contract, supervision related expenses, etc.

Pre-operative Expenses and Miscellaneous Expenditure

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

Finance Cost

IDC has been computed based on the capital phasing schedule with an estimated equity financing of 25% (contribution by JSWEL to the extent of 74% and JSWSL to the extent of 26%) and an estimated 75% in third party debt financing.

Contingencies provision

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

Margin money for working capital

The margin money for working capital is considered at 25% of the working capital requirement during the first year of operation. For the purpose of estimates the current assets comprising of receivable of 30 days, fuel stock of 30 days, O&M expenses of 30 days and spares requirement equal to 1% of the capital cost has been taken.

Means of Finance

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

Particulars	(Rs. in million)

Equity	4,650.00
Debt	13,950.00
Total	**18,600.00**

2. 1200 MW coal based power project in Ratnagiri (Maharashtra)

The Ratnagiri Project has been appraised by State Bank of India in accordance with the Information Memorandum dated December, 2006 issued by it. The cost of setting up the 1200 MW power plant is estimated at Rs. 45,000.00 million and is proposed to be financed at a debt to equity ratio of 75:25. For more details on the project and its status, please refer to the section titled "Our Business –– Projects Under Construction –– JSW Energy Ratnagiri Limited ("JSWERL") – 1,200 MW Coal-Fired Power Plant, Ratnagiri, Maharashtra" on page [●] of the Red Herring Prospectus.

The detailed break down of project cost as appraised by State Bank of India is as follows:

(Rs. in million)

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

Land

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

Site improvement /Civil / structural works

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

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

Plant and Machinery

This head includes cost of Boiler, Turbine and Generator (BTG) contract and cost of balance of Plant. The cost of plant and machinery is inclusive project implementation expenses, other electrical cost, erection and commissioning, supervision related expenses, etc.

Interest during construction

IDC has been computed based on the capital phasing schedule with an estimated 25% contribution from JSWEL and an estimated 75% in third party debt financing.

Preoperative and preliminary expenses

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

Contingency

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

Means of Finance

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

Particulars	*(Rs. in million)*
Equity	18,000.00
Debt *	27,000.00
Total	**45,000.00**

* We propose to finance the project with debt equity of 60:40, even though financial closure has been achieved on the basis of debt equity of 75:25 and financing documents for Rs. 33,750.00 million has been executed with Lenders to this project.

3. 1080 MW Lignite based power project in Barmer (Rajasthan)

The Phase-I Project has been appraised by ICICI Bank Limited in accordance with the Information Memorandum dated December 2006 issued by it. The cost of setting up the power plant is estimated at Rs. 50,000.00 million and is proposed to be financed at a debt to equity ratio of 75:25. For more details on the project and its status, please refer to the section titled "Our Business — Projects Under Construction — Raj WestPower Limited ("RWPL") Phase I– 1,080 MW Lignite-Fired Power Plant, Barmer, Rajasthan" on page [●] of the Red Herring Prospectus.

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

(Rs. in million)

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

Land, Civil works and Infrastructure

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

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

Plant and machinery

The complete plant and machinery is proposed to be procured through various contract packages. This head includes (i) Boiler, Turbine and generator package (ii) Erection testing and commissioning; (iii) freight and insurance transits; (iv) taxes and duties; (v) design engineering; (vi) initial spares (vii) project implementation expenses.

Balance of plant

The broad items comprising the electrical works for the Project includes power transformers, power cables and accessories switchyard. The mechanical work includes the C&I, D.G. set.

Financing cost and IDC

IDC has been computed based on the capital phasing schedule with an estimated 25% contribution from JSWEL and an estimated 75% in third party debt financing.

Preliminary and Pre-operative expenses

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

Contingency

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

Means of Finance

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

Particulars	*(Rs. in million)*
Equity	12,500.00
Debt	37,500.00
Total	**50,000.00**

4. 270 MW Coal /Lignite based power project in Barmer (Rajasthan)

The Phase-II Project has been appraised by ICICI Bank Limited in accordance with the Information Memorandum dated December 2007 issued by it. The cost of setting up the 270 MW power plant is estimated at Rs. 13,500.00 million and is proposed to be financed at a debt to equity ratio of 75:25. For more details on the project and its status, please refer to the section titled "Our Business — Projects Under Implementation— Raj WestPower Limited ("RWPL") Phase II – 270 MW Coal-Fired Power Plant, Rajasthan" on page [●] of the Red Herring Prospectus.

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

(Rs. in million)

Item	**Total**
Land, Civil works and infrastructure	2,312.10
Plant and machinery	8,254.90
Electrical works	935.10
Preoperative expenses and overheads	236.90
Financing cost and interest during construction	1,465.40
Contingency	297.00
Total Project Cost	13,500.00

Land, Civil works and Infrastructure

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

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

Plant and machinery

The complete plant and machinery is proposed to be procured through various contract packages. The broad items comprising the total plant and machinery for the Project include (i) Boiler, Turbine and generator package; (ii) Erection testing and commissioning; (iii) freight and insurance transits; (iv) taxes and duties; (v) initial spares. In addition, the balance of plant is expected to cost the balance amount.

Electrical Works

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

Pre-operative expenses and overheads

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

Financing cost

IDC has been computed based on the capital phasing schedule with an estimated 25% contribution from JSWEL and an estimated 75% in third party debt financing.

Contingency

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

Means of Finance

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

Particulars	*(Rs. in million)*
Equity Capital	3375.00
Rupee Term Loans from FIs/banks	10125.00
Total	**13500.00**

5. 260 MW hydro power project in Kutehr (Himachal Pradesh)

The Kutehr Project has been appraised by ICICI Bank Limited in accordance with Information Memorandum dated January 2007 issued by it. The cost of setting up the 260 MW power plant is estimated at Rs. 14,400.00 million and is proposed to be financed at a debt to equity ratio of 75:25. For more details on the project and its status, please refer to the section titled “Our Business — Projects Under Implementation — JSWEL: Kutehr – 260 MW Hydroelectric Power Plant, Himachal Pradesh” on page [●] of the Red Herring Prospectus.

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

(Rs. in million)

Item	**Total**
Land, Building and civil works	7,064.00
Plant and machinery	4,063.60
Insurance	111.30
Finance charges	118.80
Interest during construction	2,004.70
Margin money for working capital	54.20
Contingency	983.4

Item	Total
Total Project Cost	14,400.00

Land, building and civil works

The cost of land is expected to be Rs. 40.30 million. The building and civil works include cost of river diversion works, concrete gravity dam and spillway, intake, head race tunnel, trough and desilting basin, road works, forebay, bypass channel, surge tank, surface penstocks, powerhouse, tail race channel and coffer dam.

Plant and machinery

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

Financing costs

Financing costs has been assumed at about 1.1% of the total debt raised for the project.

Interest during construction

IDC has been computed based on the capital phasing schedule with an estimated Debt Equity ratio of 75 : 25

Margin money for working capital

The total working capital requirement for the project is computed considering spares at 1.0% of the capital cost and 1 month of O&M expenses, insurance and 2 months of receivables. Margin money requirement has been taken as 25.0% of the total working capital requirement.

Contingencies

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

Means of Finance

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

Particulars	*(Rs. in million)*
Equity	3,600.00
Debt	10,800.00
Total	**14,400.00**

Government and Environmental Clearances

We have obtained the required government and environmental clearances for certain of the Identified Projects. We are in the process of the obtaining the balance or we may apply for the same based the stage of development. For more details, see “Government Approvals” on page [●] of this Draft Red Herring Prospectus. For further details, status and schedule of implementation of the Identified Projects see “Business” on page [●] of this Draft Red Herring Prospectus.

Deployment Schedule

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

Sr. No.	Identified Project	Annual funding schedule					Total	Generating Plant	Estimated date of commissioning
		Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012 onwards			
1.	Vijayanagar-2	0.00	1,560.90	0.00	0.00	0.00	1,560.90	2 x 300 MW	October 2009 [(1)]
2.	Ratnagiri	0.00	5,184.00	6,600.00	1,716.00	0.00	13,500.00	4 x 300 MW	October 2010 [(1)]
3.	RWPL Phase 1	0.00	2,107.40	3,887.50	1,155.70	0.00	7,150.60	8 x 135 MW	March 2011 [(1)]
4.	RWPL Phase 2	0.00	1,350.00	1,187.50	837.50	0.00	3,375.00	2 x 135 MW	March 2011 [(2)]
5.	Kutehr	0.00	500.00	940.00	500.00	1,660.00	3,600.00	3 x 86.67 MW	April 2014 [(3)]
	Total	**0.00**	**10,702.30**	**12,615.00**	**4,209.20**	**1,660.00**	**29,186.50**		

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

(2) This is the commissioning date which is based on an information memorandum prepared by lenders and assumes commissioning of the project 36 months from the award of major BTG contracts. We believe orders for BTG contracts will be awarded before the end of March 2008.

(3) This is the commissioning date which is based on a sanction letter from the lenders. The sanction letter provides that the loan agreement is to be entered into by April 2008 and commissioning of the project is to be completed within six years of entering into such loan agreement.

Repayment of Corporate Debt

We propose to repay the following loan of Rs. 6,000 million from the Net Proceeds:

Name of the Bank	Nature and Date of Agreement	Amount Outstanding as on December 31, 2007
ICICI Bank Limited	Rupee Term Loan, Facility Agreement dated December 14, 2006	6,000.00

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

For more details of the said indebtedness, please see the section titled "Indebtedness" on page [●] of this Draft Red Herring Prospectus.

General Corporate Purpose

We intend to continue to grow and strengthen our operations in the power generation and trading as also evaluating opportunities in transmission distribution, besides improving fuel security by exploring both organic and inorganic growth opportunities including acquisitions and strategic initiatives aimed at improving the degree of vertical integration and reducing costs and mitigating risks.

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

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

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

Expenses of the Issue

The estimated issue related expenses are as follows:

Activity	Estimated Expense (in Rs. million)*
Lead management fee, underwriting and selling commission	[●]
Advertising and marketing expenses	[●]
Printing and stationery	[●]
Others (Monitoring Agent fees, IPO grading fees, Registrar's fee, legal fee, listing fee etc.)	[●]
Total estimated issue expenses	**[●]**

* Will be incorporated after finalisation of Issue Price

Bridge Loan

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

Interim use of funds

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

Monitoring of Utilisation of Funds

We have appointed [●] as the monitoring agency in relation to the Issue. Our Board and [●] will monitor the utilisation of the proceeds of the Issue. We will disclose the utilisation of the proceeds of the Issue under a separate head along with details, for all such proceeds of the Issue that have not been utilized. We will indicate investments, if any, of unutilized proceeds of the Issue in our balance sheet for the relevant financial years subsequent to our listing.

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

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

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

BASIS FOR ISSUE PRICE

The Issue Price will be determined by the Company in consultation with the BRLMs on the basis of the assessment of market demand for the offered Equity Shares by the book building process. The face value of the Equity Shares of the Company is Rs. 10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

For more details on qualitative factors, refer to section titled "Summary of our Business" beginning on page [•] of this Draft Red Herring Prospectus.

Quantitative Factors

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

Period ended	Basic and Diluted EPS (Rs.)	Weight
2007	6.38	3
2006	3.11	2
2005	3.80	1
Weighted Average	4.86	

Adjusted EPS (Basic and Diluted) for the half year ended September 30, 2007 (not annualised): Rs. 3.49

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

Period ended	Basic and Diluted EPS (Rs.)(1)	Weight
2007	5.99	2
2006	3.11	1
2005(1)	NA	-
Weighted Average	5.03	

1. **The Company prepared its first Consolidated Financial Statements for FY 05-06**

*Adjusted EPS (Basic and Diluted) for the half year ended September 30, 2007 (not annualised): Rs. 3.15.

Note:

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

b) The denominator considered for the purpose of calculating adjusted Earnings per Share is the weighted average number of Equity Shares outstanding during the year, which also takes into consideration the Bonus Shares allotted on December 28, 2007.

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

a. P/E based on Basic and Diluted EPS (Standalone) for the year ended March 31, 2007: [●] times
b. P/E based on Basic and Diluted EPS (Consolidated) for the year ended March 31, 2007: [●] times
c. Industry P/E
    a. Highest : 629.3
    b. Lowest : 11.2
    c. Industry Composite : 32.2

Source: *Capital Market, Vol.XXII/21, December 17-30, 2007*

4. Return on Networth (RoNW) - Standalone

Period ended	RoNW (%)	Weight
2007	26.59	3
2006	13.71	2
2005	17.71	1
Weighted Average	20.82	

*RoNW for the half year ended September 30, 2007 : 18.19%

3. Return on Networth (RoNW) - Consolidated

Period ended	RoNW (%)	Weight
2007	25.36	2
2006	13.71	1
2005[1]	N.A.	N.A.
Weighted Average	21.48	

1. The Company prepared its first Consolidated Financial Statements for FY 05-06

*RoNW for the half year ended September 30, 2007 : 17.06%

4. Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue Basic EPS for the year ended March 31, 2007 is [●]

5. Net Asset Value

NAV (Consolidated) as at March 31, 2007	: Rs. 21.66 per Equity Share
NAV (Standalone) as at March 31, 2007	: Rs. 22.02 per Equity Share
NAV (Consolidated) as at September 30, 2007	: Rs. 18.48 per Equity Share
NAV (Standalone) as at September 30, 2007	: Rs. 19.18 per Equity Share
Issue price	: Rs. [●] per Equity Share
NAV (Consolidated) after the Issue	: Rs. [●] per Equity Share
NAV (Standalone) after the Issue	: Rs. [●] per Equity Share

6. Comparison with other listed companies

	EPS (Rs)	EPS (Rs.)	P/E Ratio	RoNW (%)	NAV (Rs.)
1.	JSWEL[1]	6.38	[●]	26.59%	22.02
2.	**Peer Group**				
	Tata Power	29.30	40.0	12.0%	328.40
	Reliance Energy	33.50	49.9	10.2%	395.80
	NTPC	7.90	24.5	14.5%	59.70
	CESC	25.40	21.8	16.5%	175.40
3.	**Industry Composite**		32.20		

(1) On standalone basis for the year ended on March 31, 2007
Source: *Capital Market, Vol.XXII/21, December 17-30, 2007*

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

In view of the reasons mentioned above, our Company and the BRLMs in consultation with whom the premium has been decided, are of the opinion that the premium is justified.

STATEMENT OF TAX BENEFITS

Please see the section titled "Financial Statements - Statement of Tax Benefits" on page [●] of this Draft Red Herring Prospectus.

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

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

Overview of the Indian Economy

According to the Economist Fact Sheet dated as of November 7, 2007 India, with a population of over one billion people, had a GDP on a purchasing power parity ("PPP") basis of approximately US$ 4,312.00 billion in 2006. This made it the fourth largest economy in the world, on a PPP basis, after the United States, China and Japan.

According to the RBI's Macroeconomic and Monetary Developments - Mid-Term Review 2007-08 dated as of October 29, 2007, India had a GDP growth rate of 7.5% in fiscal year 2005, 9.0% in fiscal year 2006 and 9.4% in fiscal year 2007. According to the estimates released for the first half (April-September) of 2007 by the Central Statistical Organisation ("CSO"), India's GDP grew at a rate of 9.1% in that period compared to 9.9% in the corresponding half in the preceding year.

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

Power (electricity) is an important infrastructural sector of a national economy. Providing adequate and affordable electric power is essential for economic development and higher standards of living. The power sector impacts on the economy and has been recognized by the GoI as a key infrastructure sector to sustain the growth of the Indian economy. As per the projections of investment in infrastructure during the 11th Plan, the power sector is expected to attract 30.4% of the total $581.68 billion projected investment in infrastructure during the 11th Plan.

(Rs. crore at 2006-07 prices)

Sectors	Rs. crore	$ billion @Rs. 41/$	Sectoral shares (%)
Electricity (incl. NCE)	7,25,325	176.91	30.4
Roads	3,66,843	89.47	15.4
Telecom	3,14,118	76.61	13.2
Railways (incl. MRTS)	3,03,530	74.03	12.7
Irrigation (incl. Watershed)	2,62,508	64.03	11.0
Water Supply and Sanitation	2,34,268	57.14	9.8
Ports	86,989	21.22	3.6
Airports	40,880	9.97	1.7
Storage	26,327	6.42	1.1
Gas	24,118	5.88	1.0
Total	**23,84,905**	**581.68**	**100.0**

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

Overview of Indian Power Industry

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

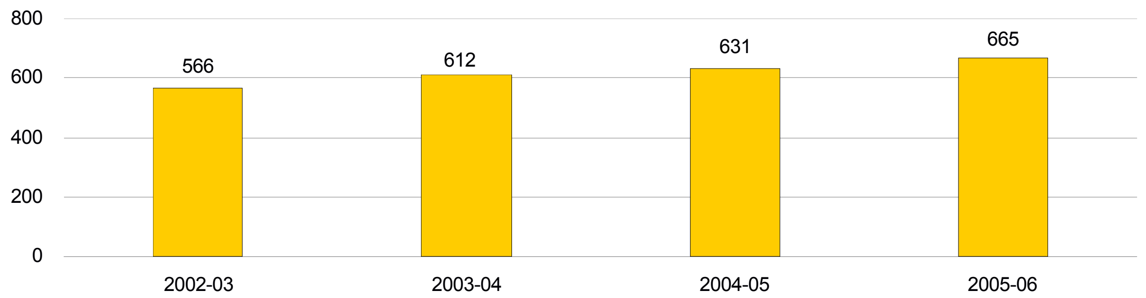
Historically, India has experienced shortages in energy and peak power requirements. ,Energy deficit averaged 8.1% and the peak power deficit averaged 12.3% during Fiscal 2002 to Fiscal 2007, primarily as a consequence of slow progress in the development of additional generation capacity. The GoI has recognized the power sector as a key infrastructure sector to be developed to sustain Indian economic growth and has taken various steps to reform the power sector to attract private participation, increase competition and reduce aggregate technical and commercial losses ("AT&C").

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

Power Consumption

The per capita consumption of power in India has increased from 566.4 kWhr/year in FY2003 to 665.0 kWh/year in FY2006, at a CAGR of 5.5% from FY2003 to FY2006.

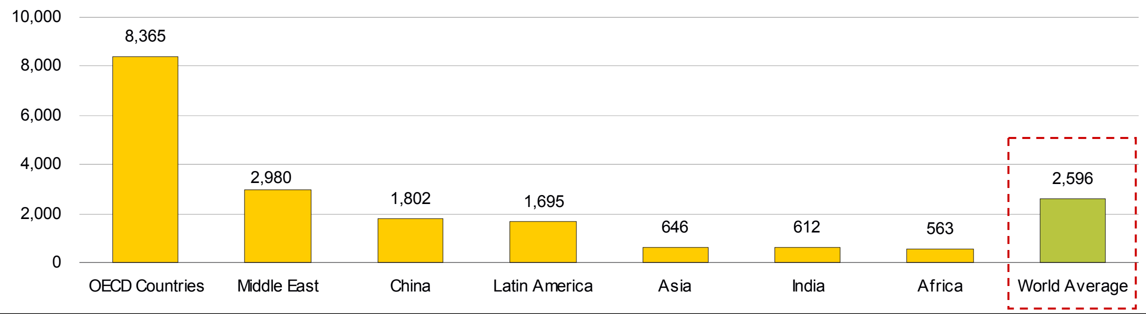
Growth in per Capita Consumption
(kwhr/year)



Source: Ministry of Power (www.powermin.nic.in)

The per-capita consumption in India is very low compared to the world average and even compared to other emerging countries. The GoI has set a target to achieve 1,000 kWh per capita by Fiscal 2012, according to its mission of "Power for All by 2012" as envisaged in National Electricity Policy.

Consumption of Electric Energy per Capita
KWhr per capita



Source: Ministry of Power (www.powermin.nic.in)

Demand / Supply Scenario

Demand for energy increased at a CAGR of 5.7% from Fiscal 2002 to Fiscal 2007 and during the same period, supply of energy increased at a CAGR of 4.9%. As depicted in the table below, historically India witnessed shortages in energy and peak power requirements. The energy deficit averaged at 8.1% and the peak power deficit averaged at 12.3% from Fiscal 2002 to Fiscal 2007 with the deficits increasing.

Period	Energy Requirement	Energy Availability	Energy Deficit / Surplus		Peak Demand	Peak Supply	Peak Deficit / Surplus	
	(MU)	(MU)	(MU)	(%)	(MW)	(MW)	(MW)	(%)
2001-02	522,537	483,350	(39,187)	(7.5)	81,555	71,262	(10,293)	(12.6)
2002-03	545,983	497,890	(48,093)	(8.8)	81,492	71,547	(9,945)	(12.2)
2003-04	559,264	519,398	(39,866)	(7.1)	84,574	75,066	(9,508)	(11.2)
2004-05	591,373	548,115	(43,258)	(7.3)	87,906	77,652	(10,254)	(11.7)
2005-06	631,757	578,819	(52,938)	(8.4)	93,255	81,792	(11,463)	(12.3)
2006-07	690,587	614,495	(66,092)	(9.6)	100,715	86,818	(13,897)	(13.8)
Average (1)			(48,239)	(8.1)			(10,893)	(12.3)
CAGR (1)	5.7%	4.9%			4.3%	4.0%		

Source: Power Scenario at a Glance, December, 2007 (CEA)

The deficits in electric energy and peak power requirements varies across India. The peak deficit was 13,860 MW from April to November of 2007 with the Western region facing the highest peak deficit of 22.6%, closely followed by the North-Eastern region with a peak power deficit of 18.7%. The deficit is a consequence of slow progress in the development of additional power generation capacity.

The following table depicts the energy and peak power deficits across varies regions in India during April to November of 2007.

Period (Apr-Nov, 07)	Energy Requirement	Energy Availability	Energy Deficit / Surplus		Peak Demand	Peak Met	Peak Deficit / Surplus	
	(MU)	(MU)	(MU)	(%)	(MW)	(MW)	(MW)	(%)
Northern	147,720	135,962	(11758)	(8.0)	32,462	29,495	(2967)	(9.1)
Western	155,108	134,701	(20407)	(13.2)	37,955	29,360	(8595)	(22.6)
Southern	122,152	119,075	(3077)	(2.5)	26,054	24,194	(1860)	(7.1)
Eastern	50,494	48,503	(1991)	(3.9)	11,385	10,699	(686)	(6.0)
N. Eastern	5,932	5,285	(647)	(10.9)	1,657	1,347	(310)	(18.7)
Total	481,406	443526	(37880)	(7.9)	107,386	93,517	(13,869)	(10.4)

Source: Power Scenario at a Glance, December, 2007 (CEA)

Demand Projections of Energy and Peak Power

According to the 17th EPS report, India's peak demand will grow at a CAGR of 7.6% to 218,209 MW and energy requirement will grow at a CAGR of 7.1% to 1,392,066 MUs over a period of 10 years (Fiscal 2007 to Fiscal 2017). As per 17th EPS report, to meet this energy demand, the corresponding installed generating capacity required would be about 300,000 MW in FY2017.

Please refer to the table below for details on the region-wise and total projected energy and peak power requirement according to 17th EPS report.

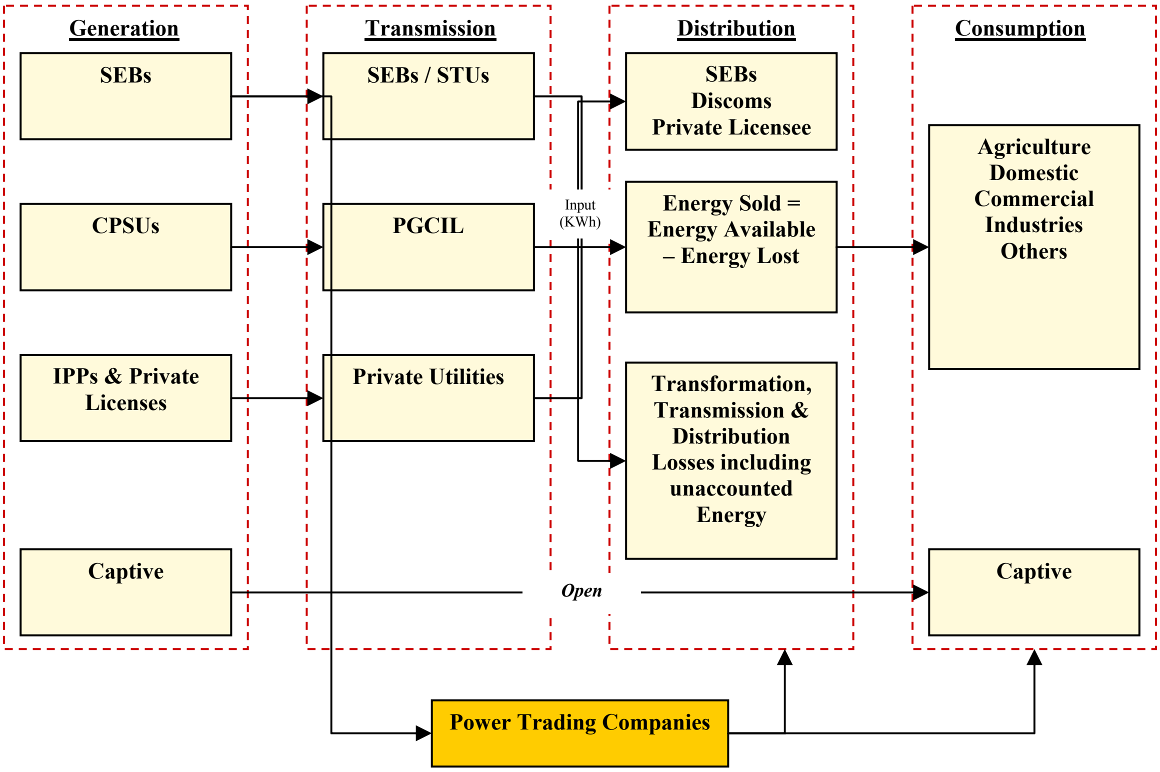
	Energy Requirement (MU)			Peak Requirement (MW)		
Region	**2006-07**	**2011-12**	**2016-17**	**2006-07**	**2011-12**	**2016-17**
Northern	209,137	294,841	411,513	32,487	48,137	66,583
Western	233,486	294,860	409,805	35,143	47,108	64,349
Southern	176,037	253,443	380,068	27,441	40,367	60,433

	Energy Requirement (MU)			Peak Requirement (MW)		
Eastern	70,547	111,802	168,942	11,436	19,088	28,401
NE Region	8,534	13,329	21,143	1,549	2,537	3,760
Islands(1)	219	384	595	51	88	136
Total	697,961	968,659	1,392,066	104,867	152,746	218,209

(1) "Islands" includes Lakshadweep and Andaman and Nicobar
Source: 17th EPS report

Structure of Indian Power Industry

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



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

Generation

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

Installed Generation Capacity

According to Power Scenario at a Glance, December, 2007 (CEA), as on November 30, 2007 total installed power generation capacity in India was 138,252 MW. State Electricity Boards accounted for 52.2% and Central Public Sector Units accounted for 34.2% of that total installed power generation capacity. The participation from the private sector is comparatively small at 13.5%.

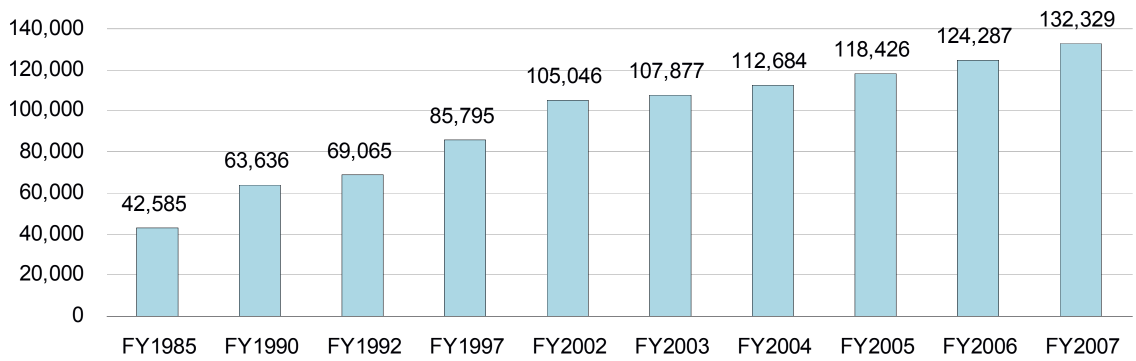
Currently, Indian generation uses all available fuel options and conventional, non-conventional and emerging power generation technologies. Thermal power plants powered by coal, gas, naphtha and oil accounted for approximately 64.6%, hydro electric plants accounted for 25.1%, nuclear power plants accounted for 3.0% and renewable energy sources accounted for approximately 7.4% as on November 30, 2007.

Installed Capacity as on November 30, 2007 (Figures in MW)						
Sector	**Hydro**	**Thermal**	**Nuclear**	**R.E.S.**	**Total**	**% of Total**
State	25,293	44,855	-	2,084	72,232	52.2%
Central	8,082	35,149	4,120	-	47,351	34.2%
Private	1,306	9,272	-	8,091	18,669	13.5%
Total	**34,681**	**89,276**	**4,120**	**10,175**	**138,252**	100.0%
% of Total	25.1%	64.6%	3.0%	7.4%	100.0%	

R.E.S: Renewable Energy Sources
Source: Power Scenario at a Glance, December, 2007 (CEA)

The following chart depicts the historical installed capacity of generation in India. The generation capacity growth has been low in India, during the last five years FY2002 to FY2007 the generation capacity increased at a CAGR of 4.7% while the energy demand during the same period increased at a CAGR of 5.7%

Growth of Installed Capacity
(in MW)



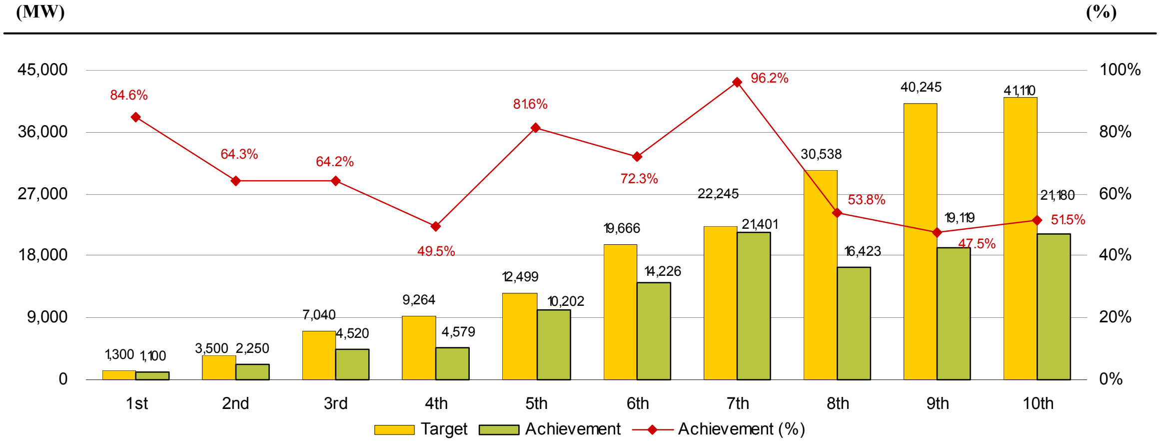
Source: http://cea.nic.in/power_sec_reports/Executive_Summary/2007_11/9.pdf

Historical Capacity Additions

India follows a system of successive five-year plans that establish targets for economic development in various sectors, including the power sector. During the last 10 five-year plans, the actual capacity addition always fell short of the targeted capacity. During the last 2 five-year plans, the achievement in terms of capacity addition has declined to a level of 47.5% in 9th and 51.5% in 10th plan.

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

All India Capacity Addition Targets and Achievements (From 1st to 10th Plan)



Source: National Electricity Plan (April 2007)

The failure to meet these capacity addition targets has aggravated the demand/supply gap for electric power in India.

Fuel Resources

In order to meet the growing demand for power, India is expected to continue to exploit all available energy sources. There is a priority for developing cleaner sources of energy like hydro electric power and other renewable and non-conventional sources, but coal based thermal generation is likely to continue to dominate power generation in India.

Thermal

Thermal plants can be based on coal, lignite, gas, LNG or liquid fuel. Based on the installed power generation capacity as of November 30, 2007, coal based thermal plants comprised 82.3% of the total available thermal capacity.

The Geological Survey of India estimates that coal reserves stood at 287 billion ton as of January 1, 2007, with approximately 89% of these being of non-coking grade, which is primarily used for power generation. According to the National Electricity Plan (April 2007), The geographical distribution of these coal reserves is in the states of Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh, West Bengal, Orissa and Andhra Pradesh. Use of imported coal with high calorific value and low ash content may be the preferred choice for coastal thermal power plants in Tamil Nadu, Gujarat, Maharashtra, Karnataka and Andhra Pradesh states depending upon competitive pricing.

In addition, the geological reserves of lignite are approximately 35.6 billion ton, according to National Electricity Plan (April 2007). Lignite is available at limited states of India such as Tamil Nadu, Rajasthan and Gujarat. Since lignite is available at a relatively shallow depth and is non-transportable, its use for power generation at pithead stations is found to be attractive.

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

Hydro

According to National Electricity Plan (April 2007), it is estimated that the total theoretical potential of hydroelectric power generation is about 300,000 MW and economic power potential as about 50,000 MW.

Nuclear

Nuclear power is a clean, environment friendly and economically viable source of power generation. It will have an increasingly important role in power generation and providing energy security given the finite resources of fossil fuel. Future programmes have been laid out in the National Electricity Plan (April 2007), for the development of 20,000 MW of nuclear power by 2020.

Capacity Addition Plans (11th and 12th Plans)

11th Plan (FY2008 to FY2012)

According to National Electricity Plan (April 2007), the requirement of additional capacity during the 11th Plan (Fiscal 2008 to Fiscal 2012) to meet all-India peak demand of 152,746 MW and energy generation requirement of 1,038 BU at the end of 11th Plan (Fiscal 2012) is approximately 82,500 MW. Accordingly, a capacity addition programme of 78,530 MW has been envisaged during 11th Plan comprising 16,553 MW hydro, 58,597 MW thermal and 3,380 MW nuclear.

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

Source: National Electricity Plan (April 2007)

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

12th Plan (Fiscal 2013 to Fiscal 2017)

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

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

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

Source: National Electricity Plan (April 2007)

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

Captive Power Generation

Another segment of power in India is the captive power segment. Captive power refers to power generation from a project set up for industrial consumption. According to CEA Report, November 2007, captive power capacity, at 14,636 MW, accounted for 10.8% of the total installed capacity in India. The dependence on captive power has been increasing, due to the continuing shortage of power and India's economic growth.

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

Merchant Power Generation

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

MPPs can generally be categorized into different classes based on the amount of time that the facility is operating and their variable costs to produce electricity. A facility's variable cost to produce electricity, in turn, determines the order in which it is used to meet fluctuations in electricity demand. Base-load facilities are those that typically have low variable costs and provide power at all times. Base-load facilities are used to satisfy the base level of demand for power, or "load," that is not dependent upon time of day or weather. Peaking facilities have the highest variable cost to generate electricity and typically are used only during periods of the highest demand for power. Intermediate facilities have cost and usage characteristics in between those of base-load and peaking facilities.

Typically, base-load units are selected for an area of relatively high load factors or stable energy use. Alternatively, peaking units are typically selected for an area of relatively low-load factors or high volatility in load demand. The availability goals of all units are driven by "in-market" availability, that is availability during periods when power prices are significantly above the variable cost of producing power at the facility.

In order to facilitate the development of electricity market, the Ministry of Power has issued the approach and the guidelines on development of MPPs, for which coal linkage/captive coal blocks allotment would be available. MPPs upto a capacity of about 1000 MW would be provided coal linkage and captive coal blocks may also be provided to MPPs with capacities in the range of 500 - 1000 MW.

The Ministry of Power, in consultation with Ministry of Coal, has identified 15 Coal Blocks with estimated reserves of approximately 3.6 billion ton for allocation to merchant and captive power plants through the screening committee route. Coal blocks of aggregate reserves of about 2.4 billion ton are expected to be considered for merchant power.

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

Tariffs

Tariffs for IPPs are governed by agreements between power generation companies and utilities known as PPAs. Tariffs for state sector generators are regulated by the SERCs. The Electricity Act 2003 empowers the Central Electricity Regulatory Commission, or CERC, to set the tariff of generating companies owned or controlled by the Government and other entities with interstate generation transmission operations.

The GoI finalized the National Tariff Policy ("NTP"), on January 6, 2006. The NTP has aided the power reforms by outlining guidelines for multi-year tariffs, rate of returns for generation and transmission projects, tariff modalities for utilities, subsidy to consumers and cross subsidy calculations. These guidelines are not applicable however, if the tariff is fixed through a transparent bidding process.

Provisions of National Tariff Policy

One of the main objectives of the NTP is to promote competition, efficiency in operations and improvement in quality of supply and ensure availability of electricity to consumers at reasonable and competitive rates. The NTP reiterates the importance of implementing competition in different segments of the electricity industry, as highlighted in the Electricity Act, 2003 and that competition leads to significant benefits for consumers through reduction in capital costs and increase in the efficiency of operations. The NTP also promotes competitive pricing.

The NTP requires that all future power procurement needs should be procured competitively by distribution licensees except in cases of expansion of existing projects or where there is a state controlled or state-owned developer involved, in which case, regulators will need to resort to tariff determination based on norms. Even for the public sector projects, tariffs of all new generation and transmission projects should be decided on the basis of competitive bidding after a period of five years or when CERC is satisfied that the situation is ripe to introduce such competition.

Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees

The Guidelines for competitive bidding for determination of tariff for procurement of power by distribution licensees were issued on January 19, 2005 with the main objectives of promoting competitive procurement, facilitating transparency and fairness, reducing information asymmetry, protecting and providing flexibility to suppliers on availability of power while ensuring certainty on tariffs for buyers. These initiatives are causing a change in the allotment of power projects from the traditional cost plus-tariff norms to an international competitive bidding approach.

The guidelines shall apply for procurement of base-load, peak-load and seasonal power requirements through competitive bidding, through the following mechanisms:

- Where the location, technology, or fuel is not specified by the procurer (Case 1);

- For hydro-power projects, load center projects or other location specific projects with specific fuel allocation such as captive mines available, which the procurer intends to set up under tariff based bidding process (Case 2)

Trading

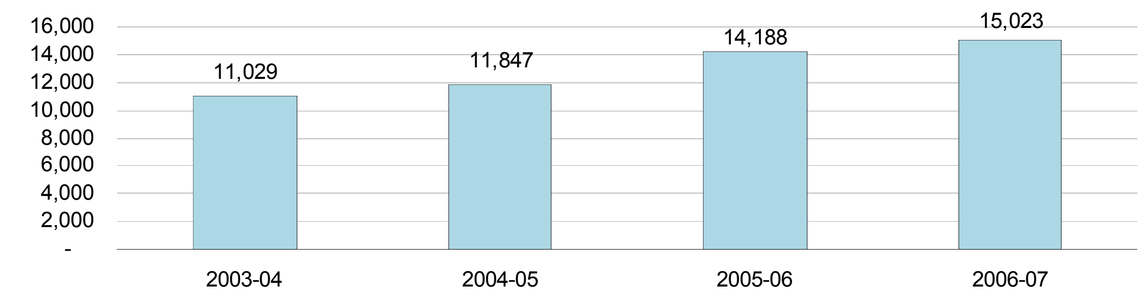
Historically the main suppliers and consumers of bulk power in India have been the various government controlled generation and distribution companies who typically contracted power on a long-term basis by of PPAs with regulated tariffs. However in order to encourage entry of MPPs and private sector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

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

With the aid of the reforms, the volume of power traded as well as its traded price has grown rapidly over the last few years. The following graph and table show the increasing volume of power traded for the periods indicated.

Volume of Electricity Traded by the Trading Licensees

MU



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

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

Increasing Traded Volume at Higher Prices			
Sale Price (Rs)	2004-05	2005-06	2006-07
	% to Total Volume	% to Total Volume	% to Total Volume
0.00 – 1.00			
1.00 – 2.00	10.21		
2.00 – 3.00	**87.61**	35.97	9.24
3.00 – 4.00	2.18	**59.46**	11.86
4.00 – 5.00		4.57	**47.95**
5.00 – 6.00			26.21
6.00 – 7.00			3.07
	100	**100**	**100**

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

Transmission

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

Because peak demand does not occur simultaneously in all states, situations may arise in which there is surplus of power in one state while another state faces a deficit. The regional grids facilitate transfers of power from a power surplus state to a power deficit state. The grids also facilitate the optimal scheduling of maintenance outages and better co-ordination between the power plants. The regional grids are to be gradually integrated to form a national grid, whereby surplus power from a region could be transferred to a region facing power deficits, thereby facilitating a more optimal utilisation of the national generating capacity. The present inter-regional power transfer capacity of 14,100 MW at the end of 10th Plan is expected to be enhanced to 37,700 MW by 2012. For the creation of such a national grid, the total investment requirement in the central transmission sector during the Eleventh Five-Year Plan period is expected to be Rs. 1,400 billion..

In addition, the Electricity Act 2003 provides for open access, whereby any generator has non-discriminatory access to transmission lines or distribution systems, and permits the creation of alternative or parallel distribution networks. Private sector investments have been allowed in the transmission sector and foreign direct investment in this sector is being encouraged by the Government.

Distribution

Power distribution is a critical link between power generation, power transmission and end users of power. As a result of high AT&C losses and the historically weak financial health of SEBs, investments in the distribution sector have been relatively low and the growth and maintenance of distribution systems in India has been poor.

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

The APDRP scheme has two components as below:

- Investment component – Government of India provides additional central assistance for strengthening and upgrading the sub-transmission and distribution network. 25% of the project cost is provided as additional central plan assistance in form of a grant to the state utilities. To begin with the GoI also provides loan in an amount of 25% of the project cost. However in accordance with the recommendation of 12th Finance Commission, the loan component has been discontinued from FY 2005-06. Now utilities have to arrange remaining 75% of the project cost from FIs like PFC/REC or their own resources. Special category states (like North Eastern states, Jammu and Kashmir, Himachal Pradesh, Uttaranchal and Sikkim) are entitled to 90% assistance in form of grant and balance 10% fund they have to arrange.

- Incentive component - An incentive equivalent to 50% of the actual cash loss reduction by SEBs/ Utilities, is provided as grant. The year 2000-01 is the base year for the calculation of loss reduction in subsequent years. The cash losses are calculated net of subsidy and receivables.

Mega Power Projects

The following conditions are required to be fulfilled by the developer of power projects for grant of Mega Power Project status:

- an inter-state thermal power plant with a capacity of 700 MW or more, located in the States of Jammu and Kashmir, Sikkim, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura; or
- an inter-state thermal power plant of a capacity of 1,000 MW or more, located in States other than those specified in clause (a) above; or
- an inter-state hydro electricity power plant of a capacity of 350 MW or more, located in the States of Jammu and Kashmir, Sikkim, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura; or
- an inter-state hydro electricity power plant of a capacity of 500 MW or more, located in States other than those specified in clause (c) above".

Fiscal concessions/benefits available to the Mega Power Projects:

- Zero Customs Duty: The import of capital equipment would be free of customs duty for these projects.

- Deemed Export Benefits: deemed export benefits are available to domestic bidders for projects both under public and private sector on meeting certain requirements.

- Pre-conditions for availing the benefits: Goods required for setting up of any mega power project, qualify for the above fiscal benefits after the project is certified that–

  (i) the power purchasing States have granted to the Regulatory Commissions full powers to fix tariffs;
  (ii) the power purchasing States undertakes, in principle, to privatize distribution in all cities, in that State, each of which has a population of more than one million, within a period to be fixed by the Ministry of Power.

- Income Tax benefits: In addition, the income-tax holiday regime as per Section 80-IA of the Income Tax Act 1961 is also available.

Ultra Mega Power Projects

Development of Ultra Mega Power Projects has been identified by GoI as a key area. These are very large sized projects, approximately 4000 MW each involving an estimated investment of about Rs. 16,0000 million. These projects are designed to meet power needs of a number of States/ distribution companies located in these States, and are being developed on a Build, Own, and Operate (BOO) basis. As promotion of competition is one of the key objectives of the Electricity Act, 2003, and of the legal provisions regarding procurement of electricity by distribution companies, identification of the project developer for these projects is being done on the basis of tariff based competitive bidding. Guidelines for determination of tariff for procurement of power by distribution licensees have been notified in January 2005 under the provisions of the Electricity Act, 2003. The Power Finance Corporation, a PSU under the Ministry of Power, has been identified as the nodal agency for this initiative.

Salient features of the Plant and Choice of Technology

- The Ultra Mega Power Projects is required to use super critical technology with a view to achieve higher levels of fuel efficiency, resulting in saving of fuel and lower green-house gas emissions.
- Flexibility in unit size subject to adoption of specified minimum supercritical parameters.
- Integrated power project with dedicated captive coal blocks for pithead projects
- Coastal projects to use imported coal.

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

National Electricity Policy

In compliance with The Electricity Act, 2003 the Central Government notified the National Electricity Policy in February, 2005. The National Electricity Policy aims at achieving the following objectives:

- Access to Electricity - Available for all households in next five years;
- Availability of Power - Demand to be fully met by 2012. Energy and peaking shortages to be overcome and adequate spinning reserve to be available;
- Supply of Reliable and Quality Power of specified standards in an efficient manner and at reasonable rates;
- Per capita availability of electricity to be increased to over 1000 units by 2012;
- Minimum lifeline consumption of 1 unit/household/day as a merit good by year 2012;
- Financial Turnaround and Commercial Viability of Electricity Sector;
- Protection of consumers' interests.

National Electricity Plan

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

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

- Short-term and long-term demand forecast for different regions;
- Suggested areas/locations for capacity additions in generation and transmission keeping in view the economics of generation and transmission, losses in the system, load centre requirements, grid stability, security of supply, quality of power including voltage profile etc. and environmental considerations including, rehabilitation and resettlement;

- Integration of such possible locations with transmission system and development of national grid including type of transmission systems and requirement of redundancies;
- Different technologies available for efficient generation, transmission and distribution; and
- Fuel choices based on economy, energy security and environmental considerations.

Mission 2012: Power for All

The Ministry of Power has set a goal - Mission 2012: Power for All. A comprehensive Blueprint for Power Sector development has been prepared encompassing an integrated strategy for the sector development with following objectives:

- Sufficient power to achieve GDP growth rate of 8%
- Reliable of power
- Quality power
- Optimum power cost
- Commercial viability of power industry
- Power for all

Strategies to achieve the objectives:

- Power Generation Strategy with focus on low cost generation, optimisation of capacity utilisation, controlling the input cost, optimisation of fuel mix, Technology upgradation and utilisation of Non Conventional energy sources.
- Transmission Strategy with focus on development of National Grid including Interstate connections, Technology upgradation and optimisation of transmission cost.
- Distribution strategy to achieve Distribution Reforms with focus on System upgradation, loss reduction, theft control, consumer service orientation, quality power supply commercialization.
- Decentralized distributed generation and supply for rural areas.
- Regulation Strategy aimed at protecting Consumer interests and making the sector commercially viable.
- Financing Strategy to generate resources for required growth of the power sector.
- Conservation Strategy to optimise the utilisation of electricity with focus on Demand Side management, Load management and Technology upgradation to provide energy efficient equipment / gadgets.
- Communication Strategy for political consensus with media support to enhance the genera; public awareness.

OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Draft Red Herring Prospectus, including the information contained in the section entitled "Risk Factors," beginning on page [•] of the Draft Red Herring Prospectus.

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

Overview

We are a growing energy company with 3,670 megawatts, or MW, of generating capacity in the operational, construction or implementation phase. In addition, we have power generation projects at an early stage under development with a proposed combined installed capacity of 9,600 MW. It is our goal to become a leading full-service integrated power company in the Indian power sector with presence across the value chain. Currently most of our revenue is derived from power generation. We are also one of the early entrants in the power trading business. In order to achieve our goal, we are currently exploring options in the power transmission business, power distribution business, generation through non-conventional energy sources, and considering opportunities to tie-up with well-known equipment manufacturers and suppliers.

The Company was incorporated in 1994, with the objective to develop, construct and operate power plants. The Company is a part of the JSW Group, which is in turn a part of the O.P. Jindal Group, and the JSW Group is headed by Mr. Sajjan Jindal. The JSW Group has a presence in the steel, power, cement, aluminium, software, and infrastructure sectors, with revenue in excess of Rs. 62,500 million for the six months ended September 30, 2007. As at December 31, 2007, the JSW Group employed more than 7,000 employees. As part of the JSW Group, we benefit from group synergies, including access to talent, competitive financing terms, and access to critical equipment and suppliers.

Our power plants are planned to be diverse in geographic location, fuel source and off-take. As part of our power generation business, we currently own and operate a 260 MW power plant in Karnataka and are expanding our generation capacity by 3,410 MW through construction and implementation of five new power plants in Karnataka, Maharashtra, Rajasthan and Himachal Pradesh. Each project is planned to be strategically located either near an available fuel source, load centre or infrastructure facilities. We intend to sell the power generated by our projects under an optimal combination of long-term and short-term power off-take agreements to state-owned utilities and some industrial consumers.

We have been engaged in power trading activities since June 2006. According to the Central Electricity Regulatory Commission, or "CERC", website, we are one of the top five power trading companies in India, by volume, for the quarter ended September 30, 2007. CERC has granted us an "F" category license, the highest license category, to trade power in India.

As part of our strategy to be present in the power sector value chain, we plan to enter the transmission business and, as a first step, we have incorporated JSWPTL which is intended to carry out all transmission related activities.

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

The Company's consolidated revenues have grown from Rs. 5,505.28 million in fiscal 2003 to Rs. 8,115.48 million in fiscal 2007, at a CAGR of 8.07%. Our earnings before interest, tax, depreciation and amortisation has increased from Rs. 2,631.58 million in 2003 to Rs. 4,623.23 million in 2007, at a CAGR of 11.93%. Our profit after tax has increased from Rs. 214.62 million in fiscal 2003 to Rs. 2,904.50 million in fiscal 2007, at a CAGR of 68.38%.

The Company's quality and environmental management systems are certified to be in compliance under ISO 9001:2000 and ISO 14001: 2004.

Strengths:

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

- *We are an established power company.* We have been in the business of power generation since 2000 and our profit after tax has grown from Rs. 214.6 million for Fiscal 2003 to Rs. 2,904.50 million for Fiscal 2007, at a CAGR of 68.38%. We believe we have realized this growth because we are an established power company with a track record, industry experience, and a sound understanding of the power industry in India. As a result, we have been able to identify new opportunities, capitalize on our strengths, position ourselves as an early participant in power trading, and have planned expansions to our generation assets through a structured approach:

  - ➢ We have a combination of long- and short-term power purchase arrangements which balance the risks and returns associated with each arrangement. Without compromising our risk management policies, our profitability over the past two years has significantly improved as we have increased the sale of power through short-term power purchase agreements in lieu of long-term power purchase agreements;

  - ➢ We identified the benefits of power trading and synergy with our generation assets and have emerged as one of the top five power trading companies in India, by volume, for quarter ended September 30, 2007; and

  - ➢ Our early presence in the power trading business has given us new insights and enabled us to build relationships with key power off-take consumers. This is expected to be beneficial in the long-term as the business matures when reliance on experience and range of services will be essential.

- *Roll-out projects currently under construction between Fiscal 2009 – Fiscal 2011 and pipeline of additional power projects under implementation and development.* We believe that our project management expertise allows us to 'fast-track' several power projects at the same time so that revenues can be realized from these projects on an accelerated basis. For our three projects with an aggregate capacity of 2,880 MW currently under construction and located at different sites in India we were able to achieve financial closure after having obtained necessary construction approvals from different state governments, taken possession of land, and placed orders for all critical long-delivery orders for plant and equipment. We believe these three projects are currently ahead of schedule and we expect to achieve commercial operation and begin earning revenue between March 2009 and October 2010.

  Our pipeline of five power generating assets under operation, construction and implementation has an aggregate capacity of 3,670 MW. These projects have all been structured to capitalize on a matrix of benefits including fuel type, fuel location, site location, load centers, and infrastructure availability:

  - ➢ our 260 MW operational power plant as well as construction of the 600 MW power plant in Vijayanagar, Karnataka are located adjacent to the existing facility of the JSWSL plant. As a member of the JSW Group, we are able to capitalize on the shared infrastructure facilities of JSWSL.

  - ➢ The 1,200 MW power plant is located at a port in Jaigarh, Ratnagiri, Maharashtra ensuring lower transportation costs for raw materials. Further, we are located in a region in the country with high demand and a high deficit of power.

  - ➢ The 1,080 MW lignite based power project at Barmer, Rajasthan is a pit-head based project providing control over the raw material availability. The additional 270 MW power plant under development at Barmer uses the infrastructure that is already available.

  - ➢ The 260 MW Kutehr Hydel power project will ensure utilisation of hydroelectric energy for power generation.

We plan to complement these projects with a further 9,600 MW comprising five additional projects which are currently under development. These projects are expected to achieve commercial operation between 2011 and 2013.

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

- *Track record of operating power projects in an efficient manner.* For our existing 260 MW operational power plant we have achieved the following performance parameters which evidence efficient plant operation:

  - a high plant availability, with an average of 96.4% since commercial operation began in 2000 through December 31, 2007;

  - a high plant load factor, or "PLF", with an average PLF of 90.56% from the date of achieving commercial operation in 2000 through December 31, 2007; and

  - the low percentage of auxiliary consumption of our operational power plant, with an average of 6.89% from the date of achieving commercial operation in 2000 through December 31, 2007.

  We follow best practices for the 230 MW captive power plant that we operate and manage for JSWSL and which has also achieved similar performance efficiencies. We believe our track record of operating and maintaining power plants enables us to replicate these best practices when our five power plants under construction and implementation become operational.

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

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

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

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

- *Experience in Project Management.* We and the JSW Group have a track record of building and commissioning four power plants with a total generating capacity of 550 MW. On account of this expertise, we have gained valuable insights and developed direct relationships with vendors and equipment suppliers and are currently constructing and implementing five power plants at four locations capable of generating power aggregating to 3,410 MW. Based on progress to date, we believe that all the projects currently under construction and implementation are likely to achieve commercial operation earlier than the scheduled commercial operations date specified by lenders. We have achieved timely financial closure, for three of our projects aggregating to a generation capacity of 2,880 MW, and have received sanction letters for two projects under implementation with an aggregate capacity of 530 MW. On account of timely achievement of financial closure, we have commenced work on the projects ahead of schedule.

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

- *The JSW Group*. We are a part of the O.P. Jindal Group, one of India's well-known business groups with over three decades of business experience in various sectors. Within the O.P. Jindal

Group, we operate as part of the JSW Group. The JSW Group is a diversified business group with interests in the steel, power, cement, aluminium, software and infrastructure sectors. We believe that we achieve group synergies, including access to talent, securing financing on competitive terms, and sourcing critical equipment and supplies. In addition, the JSW Group has established relationships and a track record with major coal mining companies and traders.

Our Strategy

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

- *Achieve End-to-End integration.* We intend to build an integrated energy business with a reliable fuel supply and a presence across generation, transmission, distribution and power trading including through conventional and non-conventional energy sources. To achieve an end-to-end integrated energy business model, we are pursuing organic and in-organic growth as well as partnering with well-known equipment manufacturers and suppliers.

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

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

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

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

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

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

    We also intend to develop most of our power projects in a 800 MW configuration using super critical technology in order to take advantage of lower costs associated with power generation using this technology.

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

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

Our Businesses

I. Our Power Generation Business

The following table summarizes certain key features of our power plants which are operational, under construction or under implementation and which have an aggregate capacity of 3,670 MW:

Facility	JSWEL	JSWEVL	JSWERL	RWPL (Phase I)	RWPL (Phase II)	JSWEL (Kutehr)
Specifications						
Gross Capacity	260 MW	600 MW	1200 MW	1,080 MW	270 MW	260 MW
Contract Capacity	2x130 MW	2x300 MW	4x300 MW	8x135 MW	2X135 MW	3X86.67 MW
Our Participation Interest as of December 31, 2007	OWN	70.15%[(1)]	100%	100%	100%	OWN
Status	Operational	Under Construction	Under Construction	Under Construction	Under Implementation	Under Implementation
Procurement Status	N/A	Major orders have been placed	Major orders have been placed	Major orders have been placed	LoI issued	Work-in-progress to meet technical specifications
Location	Karnataka	Karnataka	Maharashtra	Rajasthan	Rajasthan	Himachal Pradesh
Fuel	Coal / Gas	Coal	Coal	Lignite	Lignite / Coal	Hydro
Expected Commercial Operation Date	Operational since 2000	October 2009[(2)]	October 2010[(2)]	March 2011[(2)]	March 2011[(3)]	April 2014[(4)]
Financial information						
Estimated Original Project Cost	N/A	Rs. 18,600 million	Rs. 45,000 million	Rs. 50,000 million	Rs. 13,500 million	Rs. 14,400 million
Amount Deployed as of December 15, 2007	N/A	Rs. 5,491.70 million	Rs. 3,310.0 million	Rs. 6,177.20 million	Rs. Nil	Rs. Nil
Power Off-take Arrangements						
Type	Short-Term and Long Term	Short-Term and Long Term	Short-Term and Long Term	Long-Term	Short-Term	Short-Term[(5)]
Expires	2012	10 years from COD	Yet to be tied up	30 years from COD	Not applicable due to short-term nature of off-take	Not applicable due to short-term nature of off-take
Fuel Supply Arrangements						
Supplier	JSWSL[(6)]	PT Sungai Belati Coal[(6)]	PT Sungai Belati Coal and China National Minerals Company Limited	BLMCL	PT Sungai Belati Coal	N/A
Term Expiration	2032	2034	2034 and 2030	30 years from COD	2034	N/A

(1) Our participation interest will increase to 74% upon completion of the project in accordance with the power purchase agreement.

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

(3) Commissioning date which is based on an information memorandum prepared by lenders and assumes commissioning of the project 36 months from the award of major BTG contracts. We believe orders for BTG contracts will be awarded before the end of March 2008.

(4) Commissioning date which is based on a sanction letter from the lenders. The sanction letter provides that the loan agreement is to be entered into by April 2008 and commissioning of the project is to be completed within six years of entering into such loan agreement.

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

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

The following table highlights our power plants under development:

Location	Capacity (MW)	Estimated Project Costs[1] Rs. (million)	Fuel	Expected Commercial Operations Date[1]
Maharashtra	3,200	128,000	Imported Coal	September 2012
West Bengal	1,600	64,000	Domestic Coal	September 2011
Orissa	1,600	64,000	Domestic Coal	March 2012
Gujarat	1,600	64,000	Imported/ Domestic Coal	July 2012
Jharkhand	1,600	64,000	Domestic Coal	March 2013

(1) Based on reports by independent engineers.

We classify our power development projects as:

'***operational***', if the engineering, procurement and construction phase has been completed or substantially completed, a completion certificate has been issued, and the project company is earning, or in the future will earn, revenue from operations pursuant to the terms of a power off-take agreement or sale on a short-term basis. We currently have one project in the operational phase:

- JSWEL's 260 MW power plant located in Karnataka.

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

- JSWEVL's 600 MW power plant located in Karnataka;
- JSWERL's 1,200 MW power plant located in Maharashtra; and
- RWPL's 1,080 MW power plant located in Rajasthan.

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

- RWPL's (Phase II) 270 MW power plant located in Rajasthan; and
- JSWEL (Kutehar)'s 260 MW hydroelectric power plant located in Himachal Pradesh.

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

- 3,200 MW coal based power plant in Maharashtra;
- 1,600 MW coal based power plant in West Bengal;
- 1,600 MW coal based power plant in Orissa;

- 1,600 MW coal based power plant in Gujarat; and
- 1,600 MW coal based power plant in Jharkhand.

Our Operational Project

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

Overview

We own and operate a 2 x 130 MW dual fuel (coal and gas) power plant in Vijayanagar, Karnataka on land that we own. This plant has been operational since 2000 and the quality and environmental management systems are certified to be in compliance under ISO 9001:2000 and ISO 14001:2004. Operation and maintenance of this power plant is handled internally by the Company. This power plant has operated at a PLF averaging 90.56% and an availability factor averaging 96.4% for the period from the date of achieving commercial operation in 2000 to the end of December 2007.

The power plant operates on a combination of coal and gas. The fuel is sourced from JSWSL which is located on a site adjacent to the JSWEL power plant. By using gas, we have earned and realized carbon credits, or "CERs". The income earned from this power plant is exempt from income tax under Section 80IA under the I.T. Act until fiscal 2013.

Power Off-take Arrangements

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

- a long-term PPA with JSWSL; and

- short-term PPAs with JSWPTC.

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

We have satisfied pre-qualification "RfQ" criteria and have been short-listed to participate under the second step "RfP" bidding for the sale of 450 MW and 300 MW of power to Power Company of Karnataka Limited ("PCKL") and Maharashtra State Electricity Distribution Company Limited, respectively. If we are the successful bidder, we expect to enter into long-term PPAs with the PCKL and Maharashtra State Electricity Distribution Company Limited.

Short-term PPA with JSWPTC. To the extent that we do not sell power to JSWSL under the long-term PPA, we sell surplus power to JSWPTC. Since July 2006, we have sold power to JSWPTC under short-term agreements which provide for the delivery of power from several hours up to 11 months in duration.

Fuel and Water Supply

On December 7, 2001, JSWEL entered into an agreement with JSWSL for the supply of fuel and water to the JSWEL power plant. JSWSL is obligated to provide fuel (coal or gas) and water as required by JSWEL to generate up to 260 MW. The term of this agreement is until 2031. JSWSL has the option of providing fuel by way of a mixture of gas or coal in any proportion. Currently, JSWSL is providing a significant portion of fuel in the form of coal, while in the past JSWSL has supplied fuel with significant portion being in the form of gas. JSWEL has also applied to the Ministry of Coal, Government of India, for a long-term coal linkage for its power plant in order to reduce costs and to reduce the reliance on fuel supply from JSWSL.

JSWSL sells coal and water to JSWEL at cost. The gas sold by JSWSL is priced at the cost of coal with equivalent calorific value.

We recycle water used at this power plant.

Projects Under Construction

1. JSW Energy Vijayanagar Limited ("JSWEVL") - 600 MW Power Plant, Vijayanagar, Karnataka

Overview

JSWEVL is constructing a 2 x 300 MW coal based power plant in Vijayanagar, Karnataka on land that JSWEVL leases from JSWEL under a 30 year lease. Project management is handled internally by JSWEL. The order for the BTG package was placed with Shanghai Electric Group Company Limited on June 20, 2006 and the notice to proceed was issued on July 20, 2006. We have received boiler drums for both units and delivery of other equipment under the BTG package is currently underway. As on the date of the Draft Red Herring Prospectus, site excavation and laying of the foundations have been completed and the chimney construction is underway. We expect to complete construction and commissioning of the plant by December 2008 and achieve commercial operation by the end of the first quarter of calendar year 2009. If we meet this timetable, the project is likely to achieve commercial operation earlier than the scheduled commercial operation date of October 2009 specified under the financing documents.

The estimated total cost of the project is Rs. 18,600.0 million. As of December 15, 2007, we have spent Rs. 5,460.10 million on construction and development the project. The Government of Karnataka approved the project on October 12, 2006 and granted certain tax exemptions in connection with construction of the project.

Fuel Supply Arrangements

We believe the power plant's fuel requirement is satisfied in full by two fuel supply agreements with an Indonesian coal mining company, PT Sungai Belati Coal ("Sungai Belati").

First, under a coal sales purchase contract dated December 26, 2007, JSWEVL agreed to purchase annually approximately one million metric tons of steam coal meeting certain quality parameters including a gross calorific value of 5000-5500 Kcal/kg. Delivery of coal will begin at the earliest in July 2008 and will continue for a term of 25 years. The price formula of coal under this contract is linked to the McCloskey's RB Index, a widely used coal industry index, on the date of the contract. The pricing structure under the contract is as follows:

- If McCloskey's RB Index changes by less than 50% from the index on the date of the contract, the contract coal price remains fixed at US$35.0 per metric ton, FOBT, port of loading.
- If, on the other hand, McCloskey's Index increases by more than 50% from the index on the date of the contract, the contract coal price of US$35.0, FOBT, port of loading, is increased. The increase is one-half of the percentage variation above the index on the date of the contract.

Under the contract, JSWEVL has a first priority over other customers of Sungai Belati in connection with meeting its coal requirements. The contract is a minimum 'take-or-pay' contract except on the occurrence of a force *majeure* event or other limited circumstance. If JSWEVL is unable to purchase the contracted coal tonnage in any given year, Sungai Belati is entitled to compensation. Sungai Belati also has a reimbursement obligation to JSWEVL if it is unable to deliver the contracted quantity of coal to it.

Second, the fuel requirements for JSWEVL is expected to be fulfilled under a coal sales purchase contract dated December 26, 2007 between JSWERL and Sungai Belati. Under this contract, JSWERL proposes to assign delivery by Sungai Belati of a portion of the coal under this contract to JSWEVL, in addition to payment obligations and all other rights and obligations related to this delivery. For a description of the terms of this contract, see "—2. JSW Energy Ratnagiri Limited ("JSWERL") – 1,200 MW Coal-Fired Power Plant, Ratnagiri, Maharashtra" below.

JSWEVL has also applied to the Ministry of Coal, Government of India, for a long-term domestic coal linkage for its power plant in order to reduce costs and to reduce reliance on imported coal, especially exposure to the price volatility of the McCloskey's RB Index.

To transport the coal from the Indonesian loading port, JSWEL entered two freight rate contracts with Kawasaki Kisen Kaisha Limited, Tokyo Japan and Oldendorff Carriers Gmbh & Co., a German company, for the transport of approximately 5.0 million tons of coal annually from Indonesia to specified ports in India valid for 15 years from first half of calendar year 2009 and January 2010 respectively. The basic freight rate under these contracts ranges from US$6.65 to US$9.65 per metric ton depending on the port of delivery. These contracts are expected to fulfil the shipping requirements for the JSWEVL power plant.

Power Off-take Arrangements

We propose to sell power under the following power off-take arrangements:

- a long-term PPA with JSWSL for 300 MW;
- a long-term PPA with JSWCL for 6 MW; and
- short-term PPAs for the balance.

Long-term PPA with JSWSL. JSWEVL entered into a power off-take agreement with JSWSL on September 21, 2006 to supply power for a period of 10 years from the date the project achieves commercial operation. Under this PPA, JSWSL will purchase 300 MW of capacity from the power plant. The amount payable under the PPA is the sum of the following:

- a fixed charge component comprising depreciation, interest expenses, O&M expenses and insurance, and a return on equity equal to 20%;
- a variable energy charge comprising the actual cost of fuel; and
- an incentive payment of Rs. 0.25 per kWh for power supplied in excess of a PLF of 85%. In the event the power plant is unable to achieve a PLF of 85%, the fixed charge is adjusted for the shortfall in generation below a PLF of 85% and JSWEVL is liable to pay a penalty equal to 20% of the fixed charge on the units under shortfall.

Long-term PPA with JSWCL. JSWEVL entered into a power off-take agreement with JSWCL on November 13, 2006. The term of this agreement is 10 years from January 1, 2009. Under this PPA, JSWCL will purchase 6 MW of capacity from the power plant. The tariff under this PPA is fixed at Rs. 3.00 per kWh for the first six years and then increases by a fixed increment each year to a maximum tariff of Rs. 3.51 per kWh in the final year of the agreement.

Short-term PPAs. The balance of available power from the power plant will be sold to JSWPTC under short-term PPAs.

Financing Arrangements

The estimated total cost of the project is Rs. 18,600.0 million. The debt component of the project cost is Rs. 13,950.0 million, in connection with which JSWEVL has entered into financing documents with a consortium of banks led by IDBI Bank Limited.

Others

The entire water requirement for the project as well as the coal handling facilities are proposed to be provided by JSWSL. Similarly, the entire imported coal for JSWEVL will be handled at site by JSWSL and JSWSL will charge fees for the same.

JSWEVL has received the necessary approvals for the evacuation of upto 600 MW of power through the state grid and the necessary infrastructure is being built as part of the project.

2. JSW Energy Ratnagiri Limited ("JSWERL") – 1,200 MW Coal-Fired Power Plant, Ratnagiri, Maharashtra

Overview

JSWERL is constructing a 1,200 MW coal-fired power plant in Ratnagiri, Maharashtra. Approximately 364 acres from a total of approximately 560 acres required for the project has been leased from JSWSL under a 50 year lease, with an option to purchase this land for a fixed amount per acre after ten years. The remaining land has been purchased by JSWERL except for a small parcel of land which is in the process of being acquired by the Maharashtra government for the project. We have entered into a MoU with the Government of Maharashtra to develop a 1,000 MW power plant. See "Risk Factors - *We do not have permission/government approval to increase the capacity for three of our projects*" on page [●] of this Draft Red Herring Prospectus.

This project was awarded to JSWEL pursuant to a MoU, with the Government of Maharashtra on June 10, 2005. On June 13, 2006, JSWERL was incorporated by JSWEL to implement this project. Under the MoU, the Government of Maharashtra has agreed to provide certain administrative and fiscal support, assist in obtaining all state government clearances, facilitate the strengthening and creation of roads, provide rights of way over land, provide reliable water supply, and assisting JSWEL in obtaining the required fuel supplies.

Orders for the BTG package, civil, structural, and major long-delivery critical contracts have been placed. The order for the BTG package was placed with Shanghai Electric Group Company Limited on May 10, 2007 and the notice to proceed was issued on July 4, 2007. Project management is being handled internally by JSWEL. We expect to complete construction and commissioning of the plant by June 2010 and achieve commercial operation by October 2010, which will be in accordance with the scheduled commercial operation date specified under the financing documents. We have applied to the Ministry of Power, Government of India, for 'mega power' status for the project. If this application is approved, we will be entitled to certain excise and custom duties exemptions. The total cost with mega project status is estimated to be Rs. 45,000.0 million. As of December 15, 2007, we have spent Rs. 3,310.0 million on the project.

Fuel Supply

We believe the power plant's fuel requirement is satisfied in full by two fuel supply agreements with a China National Mineral Company Limited and Sungai Belati.

First, under a coal sales agreement dated October 10, 2006 as amended on December 4, 2007 with China National Minerals Company Limited, JSWERL agreed to purchase annually a base quantity of five million tons of coal meeting certain quality parameters including a gross calorific value of 6,300 Kcal/kg. Delivery of the coal will begin between August and October 2009 and continue for a term of 20 years. The contract price for the first five years is US$48.0 per metric ton, FOBT, based on a gross calorific value of 6,300 Kcal/kg. Thereafter, the price is determined by reference to the outcome of the annual bilateral negotiations between the governments of China and Japan on the price of coal. The contract price is adjusted if the coal does not meet the specified quality specifications. The agreement is a take-or-pay contract which obligates JSWERL to purchase at least 90% of the base quantity of coal.

Second, under a coal sales purchase contract dated December 26, 2007 with Sungai Belati, JSWERL agreed to purchase annually approximately four million metric tons of steam coal meeting certain quality parameters including a gross calorific value of 5000-5500 Kcal/kg. Only a portion of the tonnage will be required for this plant and the surplus is expected to be assigned to JSWEVL and towards the RWPL Phase II expansion. See "1. JSW Energy Vijayanagar Limited ("JSWEVL") - 600 MW Power Plant, Vijayanagar, Karnataka" above and "—Projects Under Implementation – 1. Raj WestPower Limited ("RWPL") Phase II – 270 MW Coal-Fired Power Plant, Rajasthan" below.

Delivery of coal will begin at the earliest in July 2008 and continue for a term of 25 years. The price of coal under the contracts are linked to the McCloskey's RB Index on the date of the contract. The pricing structure under the contract is as follows:

- If McCloskey's RB Index changes by less than 50% from the index on the date of the contract, the contract coal price remains fixed at US$35.0 per metric ton, FOBT, port of loading.

- If, on the other hand, McCloskey's Index increases by more than 50% from the index on the date of the contract, the contract coal price of US$35.0, FOBT, port of loading, is increased. The increase is one-half of the percentage variation above the index on the date of the contract.

Under the contract, JSWERL has a first priority over other customers of Sungai Belati in connection with meeting its coal requirements. The contract is a minimum 'take-or-pay' contract except on the occurrence of a *force majeure* event or other limited circumstance. If JSWERL is unable to purchase the contracted coal tonnage in any given year, Sungai Belati is entitled to compensation. Sungai Belati also has a reimbursement obligation to JSWERL if it is unable to deliver the contracted quantity of coal to it.

To transport the coal from the Indonesian loading port, JSWEL entered two freight rate contracts with Kawasaki Kisen Kaisha Ltd., Tokyo Japan and Oldendorff Carriers Gmbh & Co., a German company, as described under "1. JSW Energy (Vijayanagar) Limited ("JSWEVL")- 600 MW Power Plant, Vijayanagar, Karnataka."

Additionally, JSWEL has also entered into an agreement with Kawasaki Kisen Kaisha Ltd., Tokyo Japan for the transport of approximately 10.0 million tons of coal annually from either Indonesia or China to specified ports in India. This contract has a term of 10 years commencing in 2012. The basic freight rate under the contract is at $9.30 per metric ton.

These freight rate contracts are expected to fulfil the shipping requirements for the JSWERL power plant.

Power Off-take Arrangements

We propose to sell power under a combination of long-term PPAs with the state distribution companies through the competitive bidding and short-term PPAs with JSWPTC.

As of the date of the Draft Red Herring Prospectus, we had not entered into any power purchase agreements in connection with the sale of power from this plant. However, we have satisfied pre-qualification "RfQ" criteria and have been short-listed to participate under the second step "RfP" bidding for the sale of 300 MW of power to PCKL. If we are a successful bidder, we expect to enter into a long-term PPA with the PCKL. In addition, we have submitted a first step "RfQ" bidding to the Gujarat Urja Vikas Nigam Limited which involve the supply of power of 300 MW each on a long-term basis.

Short-term PPAs. The balance of available power from the power plant will be sold to JSWPTC under short-term PPAs.

Financing Arrangements.

The estimated total cost of the project is Rs. 45,000.0 million, which is being financed with equity of Rs. 18,000.0 million and debt of Rs. 27,000.0 million. JSWERL has entered into financing documents with a consortium of banks led by State Bank of India for an amount aggregating to Rs. 33,750.0 million, and intends to draw up to Rs. 27,000.0 million for the project under the financing documents.

Other

JSWERL is located approximately two kilometers from the sea. A significant volume of the water required for the project will be satisfied by sea water. The raw water will be supplied to the JSWERL power plant facility by Maharashtra Industrial Development Corporation in accordance with a confirmation letter dated September 25, 2006.

JSWERL has entered into an agreement dated June 5, 2007 with JSW Jaigarh Port Limited for handling imported coal. As part of this contract, JSW Jaigarh Port Limited is responsible for storage and delivery of coal of upto 5.0 million tons annually to a stockpile at JSWERL's power plant. The combined cargo handling charges payable by JSWERL is Rs. 285 per ton. Currently a JSW Group company owns 100% of the JSW Jaigarh Port Limited. The port is currently intended to handle coal imported by us. Construction of the port has already commenced and is expected to be completed by the second quarter of fiscal 2009 as specified in the detailed project report.

3. Raj WestPower Limited ("RWPL") Phase I– 1,080 MW Lignite-Fired Power Plant, Barmer, Rajasthan

Overview

RWPL is constructing a 8 X 135 MW lignite-fired power plant in Barmer, Rajasthan. The 1,186 acres of land required for the project has been acquired by the Government of Rajasthan and possession of the land has been given to RWPL. The GoR has transferred the title of this land to RWPL. A related part of the project is the development of two nearby lignite mines at Jalipa and Kapurdi. We have entered into a MoU with the Government of Rajasthan to develop a 1000 MW power plant. We currently do not have the government approval/ permission to increase the capacity of this project to 1,080 MW. See "Risk Factors - *We do not have permission/government approval to increase the capacity for three of our projects*" on page [●] of this Draft Red Herring Prospectus.

In February 2006, JSWEL acquired the entire ownership interest of RWPL from a consortium which had been the successful bidder in a competitive bid to build, own, operate and maintain this project.

Orders for the BTG package, civil, structural, and major long-delivery critical contracts have been placed. The order for the BTG package was placed with Dongfang Electric Corporation on March 9, 2007 and the notice to proceed was issued on April 25, 2007. Project management is being handled internally by JSWEL. We expect to complete construction and commissioning of the plant by December 2009 and achieve commercial operation by March 2010. If we meet this timetable, the project is likely to achieve commercial operation earlier than the March 2011 scheduled commercial operation date specified under the financing documents. The total cost of the project is estimated to be Rs. 50,000.0 million. As of December 15, 2007, we have spent Rs. 5,480.6 million on the project.

Implementation Agreement between RWPL and the GoR

RWPL entered into an implementation agreement dated May 29, 2006 (the "WestPower Implementation Agreement") with GoR. The agreement provides a broad framework of power purchase arrangements with distribution companies, mining lease and rights to be entered with BLMCL and facilities to be provided by GoR for this project.

Rajasthan Electricity Regulatory Commission, or "RERC," has provided an in-principle approval with regard to project cost of RWPL and BLMCL besides setting out the terms for determination of tariff for lignite.

Fuel Supply Arrangements

In accordance with the WestPower Implementation Agreement, the GoR has agreed to provide support for the project. Accordingly, RWPL and Rajasthan State Mines and Minerals Limited ("RSMML") entered into a joint venture agreement on December 27, 2006 to develop and operate the mines for the supply of lignite to the power plant. Under the WestPower Implementation Agreement, RSMML is responsible for procuring mining leases for Jalipa and Kapurdi mines from the GoR and shall transfer such leases to the joint venture entity, Barmer Lignite Mining Company Limited ("BLMCL"). The mines reserves have been estimated by Mineral Exploration Corporation Limited, a Government of India entity, to have combined lignite geological reserves of approximately 466.0 million tons. RSMML and RWPL respectively hold 51.0% and 49.0% equity holding in BLMCL. Currently the land acquisition for the mines is being carried out by RSMML on behalf of BLMCL.

In accordance with the terms of the WestPower Implementation Agreement, RWPL is required to enter into an exclusive long-term fuel supply agreement with BLMCL for the supply of lignite mined at the Jalipa and Kapurdi mines to the power plant. The mines are located approximately 3.5 km away from the power plant. The lignite will be transferred from the mines to the power plant using conveyor belts to be installed by, and at the cost of, BLMCL. The Company expects to sign this agreement in the last quarter of 2008. The fuel delivery/purchase obligation is for a 30 year period commencing with the date that the last power plant unit is commissioned and commences commercial operation. The first delivery of lignite is expected to occur in the fourth quarter of fiscal year 2009 in line with the commencement of the first unit.

The pricing structure for lignite under the agreement is at cost plus a 14% pre-tax return on equity to BLMCL. By its order dated October 19, 2006, RERC made an in-principle determination of the price of lignite to be Rs. 811.65 per metric ton. This pricing structure is subject to periodic revision by RERC.

Power Off-take Agreement between RWPL and the Rajasthan DISCOMS

RWPL entered into a power purchase agreement dated October 26, 2006 with the three Rajasthan state distribution utilities. The term of this PPA is 30 years from the date that the last power plant unit achieves commercial operation. Under the PPA, the utilities will collectively purchase all available power from the project in specified proportions.

The entire capacity of the power plant is at all times for the exclusive benefit of the utilities. RWPL is permitted to sell power to a third party if one or more of the utilities refuses power made available to it. Under these circumstances, RWPL is entitled to 50% of any proceeds from the sale of power to a third party in excess of the tariff payable under the PPA. The remaining 50% of such excess proceeds will be shared among the non-defaulting utilities in the ratio of their allocated capacity.

The tariff under the RWPL PPA is determined by RERC under Section 62 of the Electricity Act, 2003 and the regulations thereunder and is based upon the capital cost, transfer price of lignite and cost of generation of power from the power plant project. The tariff for the first year is required to be less than Rs. 2.43 per kWh.

Payment Mechanism. The utilities are required to remit the amount payable under monthly invoices. In the event of any delay in payment beyond a period of one month, a late payment surcharge is payable by the utilities. Payments due from the utilities under the PPA are required to be supported by a two-tier credit support mechanism, as follows:

- the utilities are required to open an irrevocable revolving letter of credit for an amount equal to monthly billing computed at 105% of the monthly average bill for the preceding 12 months. The letter of credit shall have a term of 12 months and shall be required to be renewed annually.
- An unconditional, irrevocable and on demand guarantee from the GoR.

If the credit support mechanism is not implemented by a utility, RWPL has the right to offer the power allocated to such utilities to the non-defaulting utilities. If a non-defaulting utility does not make the election to receive the additional power, RWPL is entitled to sell the defaulting utilities' portion of power to a third party.

Financing Arrangements.

The estimated total cost of the project is Rs. 50,000.0 million, which is financed with equity of Rs. 12,500.0 million and debt of Rs. 37,500.0 million. RWPL has entered into financing documents with a consortium of banks led by ICICI Bank Limited.

Other

RWPL entered into an agreement with the GoR on February 19, 2007 for the allocation of 80.0 cusecs of water annually to the RWPL project. The term of the agreement is for 30 years from the commercial operation of the RWPL power plant.

The Rajasthan state transmission entity is responsible for the evacuation of power from the facility and developing the related infrastructure. Under the WestPower Implementation Agreement, RWPL has provided a bank guarantee of Rs. 1000 million in favour of Rajasthan Rajya Vidyut Prasaran Nigam Limited for developing the transmission facility from our switch yard by 400 kV/220kV connection point for evacuation of power from the plant.

Projects Under Implementation

1. Raj WestPower Limited ("RWPL") Phase II – 270 MW Coal-Fired Power Plant, Rajasthan

RWPL is implementing an additional 2 X 135 MW power plant at Barmer, Rajasthan. This power plant is intended to be on the same parcel of land as the 1,080 MW project described above which is currently under construction. See "—3. Raj WestPower Limited ("RWPL") – 1,080 MW Lignite-Fired Power Plant, Barmer, Rajasthan." We have sought the permission or government approval to develop this additional 2 x 135 MW capacity. See "*Risk Factors - We do not have permission to develop additional two units at RWPL of 135 MW each and the power project at Orissa*" on page [●] of this Draft Red Herring Prospectus.

We expect to commission the plant by July 2010, which will be earlier than the scheduled commissioning date of March 2011 in the information memorandum used by lenders to appraise the project.

The power plant will employ the same CFBC technology based BTG package as used for the 1,080 MW project. Tata Consultancy Engineers has prepared a detailed project report for the project. RWPL has issued a LoI for the supply of the BTG package. RWPL proposes to seek GoR approvals for utilisation of the lignite from the Jalipa and Kapurdi mines for this project as well. According to estimates by Mineral Exploration Corporation Limited, a Government of India entity, we believe there is a sufficient quantity of lignite to supply both the 2 x 135 MW units as well as the 1,080 MW unit. If the GoR does not approve the proposed use of lignite reserves from these mines, RWPL expects to source imported coal.

Until the GoR approves the use of lignite from the Jalipa and Kapurdi mines for this project, the fuel requirements for this power plant is expected to be fulfilled under the coal sales purchase contract dated December 26, 2007 between JSWERL and Sungai Belati. Under this contract, JSWERL proposes to assign delivery by Sungai Belati of a portion of the coal under this contract to this project, in addition to payment obligations and all other rights and obligations related to this delivery. For a description of the terms of this contract, see "—Projects Under Construction – 2. JSW Energy Ratnagiri Limited ("JSWERL") – 1,200 MW Coal-Fired Power Plant, Ratnagiri, Maharashtra" above.

RWPL proposes to sell the entire power generated from this project under short-term power arrangements through JSWPTC.

The RWPL, Phase II expansion has been appraised by ICICI Bank Limited at a total cost of Rs. 13,500 million. The debt component of the project cost is Rs. 10,125.0 million for which a sanction letter has been received from ICICI Bank Limited and accepted by RWPL. We expect that financial closure will occur prior to the end of April 2008.

The project cost also includes the cost of developing the infrastructure required for handling imported coal including rail movement, handling and storage facilities. If the GoR grants approval for the use of lignite from the Jalipa and Kapurdi mines, we will not need to establish this infrastructure and, as a result, the cost of the project will decrease.

We believe the water allocation for the 1,080 MW power plant described above is sufficient to also cover the water requirements for these 2 x 135 MW units. We propose to apply to the GoR for permission to use this water for the RWPL Phase II expansion.

We believe the power evacuation and transmission infrastructure to be developed as part of the 1,080 MW project will also adequately cater to the 2 x 135 MW units.

2. JSWEL: Kutehr – 260 MW Hydroelectric Power Plant, Himachal Pradesh

JSWEL is implementing a 3 X 86.67 MW, run-of-river, hydroelectric power project on the upper reaches of river Ravi in the district of Chamba, Himachal Pradesh. Our right to develop this project is currently under legal challenge. See "Outstanding Litigation and Material Developments" on page [•] of the Draft Red Herring Prospectus.

We expect to commission the plant by the scheduled commissioning date of April 2014 referred to in the sanction letter issued by the lender.

The GoHP, awarded this project to JSWEL on a build, own, operate, and transfer basis ("BOOT"), under a competitive bidding process in July 2007. JSWEL has paid the required up-front fee to the GoHP under the terms of the letter of intent issued by the GoHP. JSWEL and the GoHP propose to enter into a pre-implementation agreement shortly. The concession period for this project is 40 years from the date the project achieves commercial operation. Under the concession agreement, JSWEL is required to provide GoHP an annual royalty in the form of free power equal to 12.0% of the deliverable energy for the first 12 years from the commercial operations date, 18.0% for the next 18 years and 30.0% for the remaining ten years.

The project involves the construction of a barrage across Ravi river, a head regulator, a desilting basin to divert water of 109.0 cumecs through a 15 km long head race tunnel ending in a surge shaft to generate an aggregate 260 MW of power in an underground power house. JSWEL has appointed M/s. SNC- LAVALIN for carrying out a detailed project report which is expected to be completed in 12 months. The company proposes to implement the project by way of an EPC contract.

The power is proposed to be sold through short-term power purchase agreements through JSWPTC.

The project has been appraised by ICICI Bank Limited at a total cost of Rs. 14,400.0 million. The debt component of the project cost is Rs. 10,800.0 million for which a sanction letter has been received from ICICI and accepted by JSWEL. We expect that financial closure will occur prior to the end of April 2008.

The cost of the project includes construction and installation of transmission infrastructure to the grid.

Projects Under Development

1. 3,200 MW – imported coal based thermal power plant in Ratnagiri, Maharashtra

We are developing a 4 X 800 MW power plant at Ratnagiri, Maharashtra. We propose to lease land from the JSW Group as well as acquire a certain portion of land.

We expect to achieve commercial operation of the last unit by September 2012.

On January 10, 2008 the Government of Maharashtra agreed to provide administrative support including making land available and providing right of way over land, clearances, obtaining fuel and evacuating power and strengthening certain infrastructure connection with the installation of additional capacity of 3,200 MW at Ratnagiri. The Government is currently considering a policy decision to provide fiscal support for projects such as ours.

We have mandated Tata Consultancy Engineers for the preparation of a detailed project report for the project which is expected by March 2008.

We are currently in discussions with certain suppliers for the supply of the BTG package based on super-critical technology. The use of super-critical technology helps achieve lower operating costs due to better efficiencies and lower carbon emissions compared to sub-critical technology. Further, the port-based location of the project offers the advantage of lower shipment costs for imported coal and equipment, and provides a more convenient and economical source of water for the project. This port facility is expected to be the same facility under construction by JSW Jaigarh Port Limited.

We believe the power plant's fuel requirement is satisfied in full by three fuel supply agreements:

- First, under a coal sales purchase contract dated October 10, 2006 as amended on December 4, 2007 between JSWERL and China National Minerals Company Limited. Under this contract, JSWERL proposes to assign delivery by the Chinese company of a portion of the coal under this contract to this project, in addition to payment obligations and all other rights and obligations related to this delivery. For a description of the terms of this contract, see "—Projects Under Construction – 2. JSW Energy Ratnagiri Limited ("JSWERL") – 1,200 MW Coal-Fired Power Plant, Ratnagiri, Maharashtra" above.

- Second, under a coal sales purchase contract dated January 4, 2008 between JSWEL and Sungai Belati. Under this contract, JSWEL agreed to purchase annually approximately eight million metric tons of steam coal meeting certain quality parameters including a gross calorific value of 5000-5500 Kcal/kg. Delivery of coal will begin at the earliest in June 2011 and continue for a term of 25 years. JSWEL proposes to assign delivery by Sungai Belati of the total coal tonnage under this contract to this project, in addition to payment obligations and all other rights and obligations related to this delivery.

- Third, under a coal sales purchase contract dated January 4, 2008 between JSWEL and JSW Natural Resources Mozambique Limitada ("JSW Mozambique"), an affiliate of JSWSL. Under this contract, JSW Mozambique agreed to sell annually approximately six million metric tons of steam coal meeting certain quality parameters including a gross calorific value of 5500-6000 Kcal/kg. Delivery of coal will begin at the earliest in April 1, 2011 and continue for a term of 25 years. Under this contract, JSWEL proposes to assign delivery by JSW Mozambique of a portion of the coal under this contract to this project, in addition to payment obligations and all other rights and obligations related to this delivery.

The terms under the JSWEL contracts with Sungai Belati and JSW Mozambique are similar. The price formula of coal under both contracts is linked to the McCloskey's RB Index on the date of the contract. The pricing structure under the contract is as follows:

- If McCloskey's RB Index changes by less than 50% from the index on the date of the contract, the contract coal price remains fixed at US$35.0 per metric ton, FOBT, port of loading in Indonesia in the case of the Sungai Belati contract and US$50.0 per metric ton, FOBT, port of loading in Mozambique in the case of the JSW Mozambique contract.

- If, on the other hand, McCloskey's Index increases by more than 50% from the index on the date of the contract, the contract coal price of US$35.0 and US$50.0, FOBT, port of loading, in the case of the Sungai Belati and JSW Mozambique contracts, respectively is increased. The increase is one-half of the percentage variation above the index on the date of the contract.

Under the contract, JSWEL has a first priority over other customers of Sungai Belati in connection with meeting its coal requirements. The contract is a minimum 'take-or-pay' contract except on the occurrence of a *force majeure* event or other limited circumstance. If JSWEL is unable to purchase the contracted coal tonnage in any given year, Sungai Belati is entitled to compensation. Sungai Belati also has a reimbursement obligation to JSWEL if it is unable to deliver the contracted quantity of coal to it.

We propose to sell power under a combination of long-term PPAs with the state distribution companies through the competitive bidding and short-term PPAs with JSWPTC.

We are currently exploring financing options. We expect to finance the project with a debt equity ratio of approximately 80:20.

The study of power flows and the optimal evacuation plan is being prepared by Power Research and Development Consultants Private Limited. We propose to build the transmission infrastructure on a public-private partnership basis in association with JSWPTL.

2. 1,600 MW– Domestic coal based power plant in West Bengal

JSWSL entered into a development agreement dated January 11, 2007 with the Government of West Bengal, West Bengal Minerals Development and Trading Company ("WBMDTC") and West Bengal Industrial Development Corporation ("WBIDC") to develop a steel plant with 10.0 million metric ton per annum capacity as well as an associated captive power plant for the steel plant at Salboni, West Bengal. We propose to develop this power plant with 2 x 800 MW capacity. JSWSL has written to the Government of West Bengal that a 3 x 330 MW captive power plant shall be developed. However, we currently do not have approval to develop a 2 x 800 MW coal based power project, which we propose to develop as a CPP to meet the entire power requirement of the steel plant. See "Risk Factors - *Our projects under development are subject to considerable uncertainty*" on page [●] of this Draft Red Herring Prospectus.

The steel project to be implemented by JSW Bengal Steel Limited ("JSWBSL"), a joint venture between JSW Group, WBMDTC and WBIDC in which WBMTC and WBIDC will invest an amount of Rs. 110 million and the JSW Group will hold a majority interest. Under the development agreement, the Government of West Bengal has agreed to provide assistance and cooperate in the implementation of the project including land procurement, providing fuel linkages, water allocation, and power during construction period. Progress under the development agreement includes:

- steps are being taken to obtain possession of 4,800 acres of land in the Salboni District, West Bengal, most of which belongs to the Government of West Bengal;
- the Department of Irrigation has allotted certain portion of water from the river Roopnarayan to the project;
- an application for environmental clearances has been submitted to the Ministry of Environment and Forests; and
- WBMDTC has obtained consent from the Government of India for exploration and mining of Kulti, Sitrampur and Ichhapur coal blocks.

JSWSL has been allotted captive coal mines on an equal sharing basis with certain other allottees of the Gourangdih ABC coal block to meet our requirements for the captive power plant. This coal is required to be made available for the captive power plant to meet the power requirement for the steel plant. The captive power plant for the steel plant is proposed to be developed by a special purpose entity in which JSWBSL and JSWEL will have a 26% and 74% ownership interest, respectively. The proposal to set up this CPP has been approved by our Board and is subject to approval of other parties to the Development Agreement. Power from the power station is to be sold to the steel plant using a two-part tariff with an after tax return on equity of 14%. As required by the development agreement, any surplus power will be supplied to the West Bengal State Electricity Board under a PPA.

The development agreement provides that WBMDTC is required to enter into an exclusive long-term fuel supply agreement to supply coal to both the steel plant and the power plant. The Agreement also provides for the execution of certain definitive agreements which JSWSL is currently negotiating with the other parties to the Development Agreement.

We expect to achieve commercial operation of the project by September 2011.

We are in discussions with suppliers for the supply of the BTG package based on super critical technology.

We are currently exploring financing options. We expect to fund the project with a debt equity ratio of approximately 75:25.

3. 1,600 MW – Coal based power plant at Orissa

We propose to develop a 1,600 MW power plant at Sambalpur, Orissa. We have approached the Government of Orissa in connection with execution of a MoU under which we have asked the state government to provide certain administrative and fiscal support in accordance with the relevant policy. We have not entered into any definitive agreements or received any definitive award letter in connection with of this project. See "Risk Factors - *Our projects under development are subject to considerable uncertainty*" on page [●] of this Draft red Herring Prospectus.

We expect to achieve commercial operation of the project by March 2012.

We have an 11% interest in a consortium that has been allotted a coal block from the Utkal A – Gopalprasad West mines from the Ministry of Coal, Government of India. Pursuant to a joint venture agreement between consortium members, the consortium is currently in the process of establishing a joint venture company to carry out these mining operations. The coal is expected to be made available to consortium members by the joint venture on a cost plus basis that yields a rate of return of 12%. The maximum quantity of coal that can be mined is 20.0 million tons per annum. We have also applied to the Ministry of Coal for an additional allocation of coal to meet the project's coal requirements.

Lahmeyer International India Private Limited has prepared a feasibility report for this project covering location, project details, and other information.

We intend to follow a competitive bidding route in connection with awarding the BTG package. It is our intention to carry out the project implementation internally.

We propose to tie-up the entire power output through a combination of long-term power purchase agreements through Case 1 bids and short-term power purchase agreement with JSWPTC.

We are currently exploring financing options. We expect to finance the project with a debt equity ratio of approximately 75:25.

We have approached the Government of Orissa for allotment of water from Hirakud dam.

We propose to evacuate power from the power plant with a direct connection to the transmission facility available from Power Grid Corporation of India Limited.

4. 1,600 MW – Imported coal based power plant at Simar, Gujarat

We propose to develop a 2 x 800 MW power plant at Simar, Gujarat. We are in the process of acquiring suitable land for the project. We have entered into a MoU with the Government of Gujarat for developing a 1,000 MW power plant on January 12, 2007. In accordance with the MOU, the GoG will provide certain administrative and fiscal support. Currently, we do not have permission/government approval to increase the capacity of this project from 1000 MW to 1,600 MW. See Risk Factors – "*We do not have permission or government approval to increase the capacity for three of our projects"* on page [●] of this Draft Red Herring Prospectus.

We expect to achieve commercial operation of the project by July 2012.

A feasibility report for the project has been prepared by M/s. Consulting Engineering Services.

We are in discussions with certain suppliers for the supply of the BTG package based on super critical technology. The use of super-critical technology helps achieve lower operating costs due to better efficiencies and lower carbon emissions compared to sub-critical technology. Further, the port-based location of the project is likely to offer the advantage of lower shipment costs for imported coal and equipment, and provides a more convenient and economical source of water for the project. The port facility is in the process of being developed by a third party. We intend to hold discussions with the successful bidder for this project for a long-term tie-up for port access and handling of imported coal. We have also applied to Gujarat Maritime Board ("GMB") for permission for construction of captive port / jetty for the power plant.

We believe the power plant's fuel requirement is satisfied in full by a coal sales purchase contract dated January 4, 2008 between JSWEL and JSW Mozambique. Under this contract, JSW Mozambique proposes to assign delivery by JSW Mozambique of a portion of the coal under this contract to this project, in addition to payment obligations and all other rights and obligations related to this delivery. For a description of the terms of this contract, see "—1. 3,200 MW – imported coal based thermal power plant in Ratnagiri, Maharashtra" above

We propose to sell power under a combination of long-term PPAs with the state distribution companies through the competitive bidding and short-term PPAs with JSWPTC.

We are currently exploring financing options. We expect to finance the project with a debt equity ratio of approximately 75:25.

5. 1,600 MW – Coal based thermal power plant at Jharkhand

We are proposing to develop a 1,600 MW power plant at Palamu district, Jharkhand. We entered into a MOU dated September 11, 2006 with the Government of Jharkhand for 2000 MW. Under the MoU, the government has agreed to assist in obtaining suitable land, fuel, and water for the project and facilitate evacuation of the power. Also, in accordance with the MoU, the state government of Jharkhand will provide certain administrative and fiscal support. We have applied to the government of Jharkhand for 1,940 acres of land for the project and for permission to draw 32.0 million gallons per day of water from the North Koel river. A reservoir will be constructed near the plant site for the storage of water.

We expect to achieve commercial operation of the project by March 2013.

We are in discussions with certain suppliers for the supply of the BTG package based on super-critical technology.

The proposed site location is approximately 150 kms from the coal reserves located at Karnpura mines owned by Central Coalfields Limited. We have made applications to the Ministry of Coal for long-term coal linkage from these mines.

We propose to tie-up the entire power output through a combination of long-term power purchase agreements through Case -1 bids and short-term power purchase agreement with JSWPTC. Under the MoU, the Government of Jharkhand has the right to purchase up to 25% of the power dispatched from the power plant. The balance of the power can be sold inside and/or outside of Jharkhand.

We are currently exploring financing options. We expect to finance the project with a debt equity ratio of approximately 75:25.

II. Power Trading Business

JSWPTC has been engaged in power trading activities since June 2006. The Central Electricity Regulatory Commission, or "CERC", has granted us a "F" category license, the highest license category, to trade power in India. According to the CERC website, we are one of the top five power trading companies in India, by volume, for and during the quarter ended September 30, 2007. JSWPTC traded 968.0 million units in fiscal 2007 and has traded 715.09 million units in the first half of fiscal 2008.

JSWPTC was formed with the objective of engaging in power trading activities, and not only sourcing its power generation sources from within the JSW Group, but also from surplus power supplies available in the market. JSWPTC has been mandated to sell all our surplus power. JSWPTC has sold power to different state utility boards in Andhra Pradesh, Maharashtra, Haryana, and Punjab and has been able to sell the entire quantity of available power. These short-term agreements have a term ranging for the sale of power over several hours up to 11 months. The trading margin allowed by regulation is capped at Rs. 0.04 per kWh.

JSWPTC trades the power that it sources through short-term power off-take agreements, enabling it to respond to price and market demand fluctuations in the sector.

A simplified power trading mechanism is as follows:

- Periodic identification of surplus power available for sale.
- Periodic identification of deficit market is undertaken to see which states have a deficit of power and during which months/time of the day.
- Offer of terms of sale of power by JSWPTC and negotiation of final terms under short-term agreements with a term ranging for the sale of power over several hours up to 11 months.
- Based on the placement, the trading licensee submits an application for transmission access to the Nodal Regional Load Despatch centre.
- Nodal RLDC will give the approval according to available transmission corridor.
- Quantum of Power flow is shown on concerned RLDC website.
- Quarterly volume traded is sent to CERC with rates as compliance.

III. Transmission

As part of our strategy to be present in the power sector value chain, we plan to enter the transmission business. As a first step, we have incorporated JSW PowerTransco Limited on July 2007, which is intended to carry out all transmission related activities. The first venture identified involves establishing a transmission line from our JSWERL plant to the state utility substations located at both New Koyna and Karad, which will form part of the Maharashtra interstate transmission system. JSWPTL has applied to the Maharashtra State Electricity Transmission Company Ltd ("MSETCL") for approval of this project. We believe this project meets the guidelines issued by the MERC.

We propose to invest in dedicated transmission infrastructure for the purpose of transmitting power from our own power generation plants to the state and national grids.

IV. Operation and Maintenance Activities

Our success depends on our ability to achieve operational efficiencies and high availability at our generation facilities and we place a high level of importance on maximizing the operational performance and availability of our generation assets.

We operate and maintain our own 260 MW plant. We also operate and maintain JSWSL's 230 MW captive power plant under an Operation and Maintenance Agreement for a five year period until March 31, 2011. As a performance incentive, we receive a 25% incentive payment of our operator fee based upon availability factor above 85%.

The following table describes the historical operating data for our 260 MW plant:

Operating Data	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 (until December 31, 2007)
Installed capacity (MW)	2x130	2x130	2x130	2x130	2x130	2 x130
Units generated (MU)	2,160.97	2,184.69	1,966.77	2,048.93	2,062.06	1,659.26

Operating Data	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 (until December 31, 2007)
Auxiliary consumption (%)	5.96	6.20	7.16	7.06	7.23	7.36
Availability factor (%)	97.23	96.61	96.17	96.78	96.22	96.47
Plant Load Factor (%)	94.88	95.66	86.35	89.96	90.54	96.69
Heat Rate (Kcal/Kwh)	2,463.60	2,444.92	2,398.55	2,371.99	2,378.25	2,366

The following table describes the historical operating data for JSWSL's 100 MW plant which we have operated and maintained since it achieved commercial operation in April 2005.

Operating Data	2005-06	2006-07	2007-08 (until December 31, 2007)
Installed capacity (MW)	1 x 100	1 x 100	1 x 100
Units Generated (MU)	787.00	796.07	598.64
Auxiliary consumption (%)	5.94	5.88	5.82
Availability factor (%)	97.12	99.73	97.14
Plant Load Factor (%)	89.84	90.88	90.70
Heat Rate (Kcal/kWh)	2,501.78	2,510.55	2,498.00

The following table describes the historical operating data for JSWSL's 130 MW plant which we operated since it achieved commercial operation in September 2006:

Operating Data	2006-07	2007-08 (until December 31, 2007)
Installed capacity (MW)	1 x 130	1 x 130
Auxiliary consumption (%)	6.98	7.54
Availability factor (%)	99.17	93.97
Plant Load Factor (%)	82.11	71.45
Heat Rate (Kcal/kWh)	2,415.64	2,477.73
Units Generated (MU)	344.82	424.61

V. Project Implementation Experience

Due to the long gestation period and the capital-intensive nature of power projects, efficient project management is essential to avoid timing delays and cost overruns. So far, we along with the JSW Group, have implemented four separate projects with a total generation capacity of 550 MW across a range of technologies and fuel types:

- 260 MW dual fuel power plant at Karnataka;
- 100 MW combined gas fired power plant at Karnataka;
- 130 MW coke oven heat recovery based power plant at Karnataka; and
- 60 MW gas and coal based power plant at Tamil Nadu.

Most of these projects have been set-up with the entire project management oversight being performed internally. The successful development, implementation and operation of plants have enabled us to create a pool of technical know-how as well as expertise in developing thermal power plants. JSWEL is currently implementing all the existing projects under construction by taking up the project management contract. As part of the project management contract, the Company is responsible for the overall implementation of the project including conceptualizing the project with the aid of technical engineers, negotiating all the contracts, ensuring timely approvals for the project, order placement by the respective projects. The Company undertakes the entire responsibility and assumes the risk for implementing a project. Also, all software support in terms of ERP package and server support is provided by the Company. JSWEL believes that this project management model will enable it to ensure the timely implementation of projects within the budgeted costs.

V. Other Opportunities

Case 2 Projects. As part of building our portfolio of power generating assets, we have entered into two MoU's with IDFC in connection with bids on power projects in Ghataprabha, Jewargi and Chamlapura in Karnataka, and a power project in Dhopave, Maharashtra. We have also independently bid for a Case 2 project in Karchana, Uttar Pradesh.

A brief summary of the Case 2 projects is as follows:

Location	Capacity	Status
Projects with IDFC		
Dhopave, Maharashtra[1]	1,600 MW	Qualified for RfP
Chamalpura, Karnataka[2]	1,320 MW	Bid submitted for RfQ
Jewargi, Karnataka[2]	1,320 MW	Bid submitted for RfQ
Ghataprabha, Karnataka[2]	1,320 MW	Bid submitted for RfQ
Independent Projects		
Karchana, Uttar Pradesh	1,320 MW	Qualified for RfP

1. Our participation interest is 44.13%, IDFC's interest is 29.5%, and SISCOL is 26.37%
2. Our participation interest is at least 51%.

Non - conventional energy sources. We are also examining the feasibility of setting up a wind and solar power facility at certain of our existing project locations and have received bids from certain domestic and international technical consultants for these projects. We are currently evaluating these bids before awarding contracts.

VI. Arrangements with the JSW Group

By being part of the JSW Group, we believe that we achieve group synergies, including access to talent, securing financing on competitive terms, administrative services, and sourcing critical equipment and supplies.

We currently have agreements with JSWSL, which include:

- the purchase of power by JSWSL from our 260 MW power plant;
- the supply of fuel and water by JSWSL to our 260 MW power plant;
- the supply of coal by JSW Mozambique, an subsidiary of JSWSL;
- operation and maintenance services rendered for JSWSL's 230 MW captive power plant;
- a lease for the land used for JSWEVL's 600 MW power plant.

We currently have agreements with JSWPTC, which include:

- the purchase of power from our 260 MW plant.

The arrangements are arms-length transactions that allow us to capitalize on the synergies, resources and services of the JSW Group.

For details regarding our related party transactions, see "Financial Statements — Related Party Transactions" beginning on page [•] of this Draft Red Herring Prospectus.

VII. Personnel

As of December 31, 2007, the Company employed 384 employees. Of these employees, 228 are professionals. Our professional staff members have a wide range of industry experience. Our workforce has grown from 189 employees as of December 31, 2006 to 384 as of December 31, 2007. In addition to compensation that includes both salary and allowances, we provide our employees other benefits which include medical reimbursements, yearly leave, retirement benefits in line with best industry practices and individual performance**.** We have had a relatively low employee attrition rate averaging less than 10% over the last four fiscal years.

Our success depends upon our ability to recruit, train and retain high quality professionals. We believe that the support of the JSW Group and our intense focus on performance, quality, training and growth will give us advantages in attracting and retaining highly skilled employees.

We intend for our O&M personnel at each project to be trained by the relevant BTG contractor and the other equipment suppliers to the project. In addition, during the first three years of project operation, we intend to have engineers from the BTG contractor and the other equipment suppliers available to assist our personnel in project operation and maintenance.

VIII. Insurance

We have taken out insurance for our various projects during the construction phase, as per the advise of our lenders' insurance consultants, including third party insurance for our projects in respect of the risks associated with our assets and infrastructure that are ancillary to our projects during the construction phase. At the time of funding for our projects, we expect that our financing arrangements will require us to maintain a certain level of insurance coverage. We also take insurance policies during the operational phase

IX. Environmental

The Kyoto Protocol promotes for the Clean Development Mechanism ("CDM"), a program that encourages sustainable development projects that reduce greenhouse gases in the earth's atmosphere by issuing tradable certificates called Certified Emission Reductions ("CERs"). JSWEL has already net generated and realized 3.97 million CERs for its duel fuel power plant at Vijaynagar, Karnataka. We expect to be eligible for CER benefits for some of our projects, such as the 260 MW Hydroelectric Power Plant at Kutehr and from use of super critical technology.

Prior to the commencement of any project, we must undertake environmental impact studies to determine the effect of the construction and operation of the project at the selected site. Generally, the major pollutants likely to affect the environment at the projects currently under development include nitrogen oxide emissions, thermal pollution, liquid effluents and noise generated during project operations. We intend to equip all our power plants with devices for the control of pollutants to levels within required norms. We also intend to treat the effluent water produced and utilized within the plant boundaries for watering plantation, gardening, and for various non-critical applications such as a dust suppression system in ash pond. Fly ash produced is supplied to cement manufacturing units and brick making units.

IX. Intellectual Property

We do not own the 'JSW' trademark and logo which is owned by one of the JSW Group companies.

X. Property

We own and lease certain properties for corporate operations and project development activities. The brief details of some of the material properties owned/ leased by us for our corporate purposes are set out below:

Description	Owned/ leased
Land at Toranagallu, measuring 241.84 acres	Owned
House at flat No. 12, I Floor, Plot No. 25, Vrindavan Residential Complex, Village Khativali, Taluk Shahpur, District Thane, Maharashtra, measuring 612 sq. ft.	Owned
Premises at 1st, Floor, Jindal Mansion, 5A Dr. G.Deshmukh Marg, Mumbai measuring 5,000 sq. ft.	Lease for a period of 33 months from September 01, 2005 to May 31, 2008

We are currently in negotiations to lease the premises occupied by us as our corporate office.

JSWSL, JSWPTC, Windsor Residency Private Limited (collectively "JSW") and Orbit Shelter Private Limited ("Orbit") have entered into a MoU on December 29, 2007 whereby Orbit has agreed to sell a parcel of land to JSW and to develop and construct a multi-storied building. JSWPTC is entitled to purchase and own an area measuring about 49,950 square feet plus 60 car parking.

Our Board has also passed a resolution to purchase a flat from Tarini Properties Private Limited for a consideration of Rs. 35.15 million. We have already paid Rs. 30 million as on advance. We have also entered into an option agreement with Windsor Residency Private Limited to acquire upto 25,000 sq. ft. of saleable area in the property for a consideration of Rs. 1012.50 million.

XI. Corporate and Social Responsibility

We participate in social development activities through the initiatives of the JSW Group. Three public charitable trusts (Jindal South West Foundation, Hampi Foundation and Friends of the Sir J J School of Arts), administer the social development activities and initiatives of the JSW Group. These trusts annually consult with the management and other company personnel to identify the list of activities that are incorporated into the JSW Group's Business plan. These trusts undertakes activities in the areas of education, health, arts and culture, natural resources management and conservation activities and social responsibility and awareness.

In addition, these trusts work in collaboration with other established organizations, programs and research groups in our Corporate and Social Responsibility initiatives.

DESCRIPTION OF CERTAIN KEY CONTRACTS

A. Key Agreements entered into by the Company

1. Coal Sales Purchase Contracts

(a) The Company has entered into a coal sales purchase contract ("CSPC") dated January 4, 2008 with PT Sungai Belati Coal ("Seller"), Indonesia for the supply of coal. The CSPC provides that the supply of coal shall commence from June 2011 onwards with the supply of 1,000,000 MT of coal in the delivery year commencing in June 2011. The parties have agreed that the quantity of coal to be bought by the Company in every delivery year shall progressively increase to 8,000,000 MT by June 2014. Thereon, the Company is required to purchase 8,000,000 MT (subject to revision of 10% at the option of the Company) in every delivery period from June 2014 onwards till the expiry of a 25 year term from June 2011 onwards. In the event the Company does not purchase this agreed quantity of coal, it shall be required to pay compensation for the shortfall as agreed under the PT CSPC. In the event that the Seller is not able to supply the agreed quantity, the Company is entitled to source such supplies from third parties and the Seller is required to pay for the difference in the price of the coal sourced from the third party. The parties have agreed to a fixed price and the escalation formula under the PT CSPC. The obligations of the parties are subject to force majeure conditions.

(b) The Company has also entered into a coal supply agreement dated January 4, 2008 with JSW Natural Resources Mozambique Limitada. The terms of this agreement are same as that of the PT CSPC save for the following:

- The supplies shall commence from June 2011 onwards with 1,000,000 MT which shall progressively increase to 6,000,000 MT;
- The Company has to purchase 6,000,000 MT of coal in each delivery year from June 2013 onwards; and
- The fixed price agreed to is different

2. Share Purchase Agreement for PT Param Utama Jaya

A Share Purchase Agreement dated January 18, 2007 was entered into between Mr. Bhopinder Singh, Mr. Dicky Irawan ("Sellers") and JSWEL, JSWPTC ("Purchasers") and PT Param Utama Jaya as the conforming party.

The Sellers who were owners of 1500 equity shares representing 100% of the total paid up equity share capital of PTPUJ wanted to sell their shares (100% of the issued and paid up capital of PTPUJ) to JSWEL. JSWEL and JSWPTC have agreed to purchase from the sellers the shares free from encumbrances on the terms and conditions contained in this Agreement, with an intent to acquire and own the legal and beneficial interest in the shares and take over the effective control over the management and affairs of the PTPUJ.

3. MoU between JSWEL and IDFC

An MoU was entered into between JSWEL and IDFC on November 14, 2007. The Government of Karnataka has invited proposals from bidders for procurement of power on a long term basis through a Tariff based Bidding Process for three separate Power Plants to be set up in the state. JSWEL and IDFC have, under this agreement agreed to join and participate in the RFQ bidding process with a view to enable JSWEL to qualify and with the intention of winning the bid jointly. This MoU lays down the terms and conditions governing the investment of the parties in the equity share capital of the JVC to be incorporated after the consortium being declared as qualified and successful. The parties agree to support each other for the purpose of bidding for the projects, development, financing, construction and operation of the projects. The JSWEL and IDFC agree to form a SPV with a shareholding commitment of 51% and 49% respectively and agree to record the terms of this agreement in a Shareholders Agreement to be executed within 180 days of signing this MoU or any other extended date as may be mutually agreed. The responsibilities of the parties as laid down in the MOU, is that JSWEL shall be responsible for taking a lead role for bidding the Project , interacting, liasoning with the Government and preparation and submission of bid for the project and IDFC shall be responsible for acting as the financial advisor and investor for the bid, agreeing to subscribe, at IDFC's option 49% of the equity. IDFC's return on investments shall not be less than 20% p.a. JSWEL has agreed that all preliminary expenses, cost and overheads incurred for the preparation, submission of the offer for qualification/tender bid shall be borne by it.

This agreement terminates on the signing of the SHA. In case the SHA is not entered into within 180 days and unless the said period of 180 days is extended, the MoU shall terminate but can be extended by mutual consent of the parties. The MoU also terminates automatically in the event any of the projects are not allotted to the consortium pursuant to a bid made by the consortium.

4. Joint Deed Agreement between JSWEL, SISCOL and IDFC

A Joint Deed Agreement was entered into on May 21, 2007 between JSWEL, SISCOL and IDFC for Dhopave Coastal Power Company Limited. The parties have agreed under this agreement to bid in a consortium. They will contribute equity in the following percentage (if applicable): JSWEL (lead member) – 44.13%, SISCOL – 26.37% and IDFC – 29.50%

Under the agreement, the parties have agreed that IDFC is exempt from joint liability for contribution to the equity investment obligation of other members.

5. MoU to form a JV to set up a steam turbine and generator products unit

JSWEL has entered into a MoU in January, 2008 with other parties to establish a joint venture company for the manufacture, sale and service in India of steam turbine and generator products. We will be holding a minority interest in the JV. The parties have agreed to enter into a definitive JV Agreement. The shareholding structure and other rights and obligation shall be in accordance with JV agreement proposed to be entered into.

B. Key contracts in relation to our projects.

I. 260 MW Power Plant, Vijayanagar, Karnataka

1. A Power Purchase Agreement between JSWEL and JSWSL

JSWEL entered into the Power Purchase Agreement with JSWSL on August 31, 2006 to sell a part of the capacity and output of the power generation undertaken by JSWEL through the dual fuel power plants which it owns, operates and maintains, at the site adjacent to JSWSL's steel plant.

Under the PPA, the obligations of JSWEL, *inter alia*, shall include, the supply of power up to the capacity contracted at delivery point, on the terms as laid down in the PPA, maintenance of records to demonstrate the plant availability to the extent of 85% of the contracted capacity in MWs on a quarterly basis and ensuring that power shall be made available on and from the effective date. Further, under the terms of the PPA, JSWSL shall pay for the deemed consumption at Rs. 1.30 per unit. JSWSL has agreed to pay a tariff of Rs. 2.60 per unit. The tariff is based on the assumption that the fuel cost per unit of net power generation is Rs. 1.30 and in case of any variation in fuel cost, there would be corresponding variation in the tariff for power. Also, JSWSL is entitled to offset the payments due to JSWSL under this PPA against the amount due to JSWEL under the Fuel and Water Supply Agreement dated December 12, 2001.

Under the terms of the PPA, the metering equipment including meters shall be owned by the Company and the maintenance and the provision of providing metering data by the Company to JSWSL shall be according to the prudent practices, as defined under the PPA. As set forth in the PPA, the monthly meter readings (both billing and check meters) shall be taken jointly by the parties on the first day of a month. Further, neither party to the PPA shall be liable or responsible to the other party, *inter alia*, for incidental, indirect or consequential damages, connected with or resulting from performance or non-performance of the PPA.

The term of the PPA has been prescribed to be effective till March 31, 2012, unless terminated earlier pursuant to the terms of the PPA.

The Agreement may be terminated if either party commits a material breach of any of the provisions of the Fuel Supply Agreement dated December 12, 2001.

The parties have a right to serve a notice of termination on the other party on terms as prescribed under the PPA. The notice of termination is supposed to specify in detail the circumstances giving rise to the notice. Thereafter, the parties are required to consult each other for a period of 60 days and if the defaulting party is unable to cure the default in the aforesaid period, then the other party may terminate the PPA, by giving a written notice.

2. Operations and Maintenance Agreement between JSWEL and JSWSL

JSWEL entered into an O&M Agreement with JSWSL on August 17, 2006. Under the terms of this agreement, JSWEL agreed to provide operation and maintenance for the power plants (1 x 100 MW and 1 x 130 MW) owned by JSWSL at Bellary, and to supply power to persons designated by JSWSL, collect charges for power purchased by such persons and pay the same to JSWSL, on the terms as laid down in this agreement.

Under the terms of this agreement, the obligations of JSWEL, inter alia, include providing competent and skill staff for the operation and maintenance of the plant and maintaining strict discipline and good order amongst its personnel and its sub-contractors.

This agreement also provides that the Company shall not, without the prior written approval of JSWSL, *inter alia*, enter into any agreement which purports to bind or create any liability on JSWSL, or pledge the credit of JSWSL in any way or take any action which results in any adverse impact on JSWSL's compliance or file or prosecute any claim, suit or litigation on JSWSL's behalf or enter into any obligations for borrowed money on behalf of Captive Power Plant or JSWSL, or permit or suffer any liens or encumbrances on the CPP.

This agreement came into force on April 1, 2006 and is effective for a period of 5 years. The Agreement may be renewed for such additional period and on such terms and conditions as may be mutually agreed between the parties.

Under the terms of this agreement, JSWSL has the option of terminating the agreement by giving a written notice of 90 days, for which JSWSL will be required to compensate the Company on the terms as laid down under the O&M Agreement.

If so required by any of the Lenders, JSWEL has agreed not to terminate the Agreement on account of JSWSL default until it has provided the Lenders with written notice of such JSWSL default at least 30 days prior to any intended termination, if JSWEL fails to give such notice to any of the Lenders. JSWEL shall not terminate the Agreement as a result of any JSWSL default if such JSWSL default has been cured prior to the effective date of termination, or any of the Lenders has instituted and is diligently pursuing corrective action to cure such JSWSL default.

JSWEL may sub-contract any of its activities and obligations to any qualified sub-contractors. JSWSL will have the right to instruct JSWEL not to sub-contract to any particular contractor. Any appointment of such sub contractors shall not relieve JSWEL of its duties and obligations under the Agreement.

3. Lease cum Sale Agreement between Karnataka State Industrial Investment and Development Corporation Limited and JSWEL

A lease cum Sale Agreement was entered into between Karnataka State Industrial Investment and Development Corporation Limited ("KSIIDCL") and JSWEL on November 18, 1996. KSIIDCL which was the absolute owner and was in possession of a parcel of land, under this agreement agreed to transfer 241.84 acres of land situate at Bellary District in Karnataka to JSWEL for the purpose of setting up the power plant for a consideration as agreed to under the Agreement for a term of ten years computed from November 19, 1995. The lease is for the consideration of the pre-determined sum being premium payable by the Lessees and on the rent reserved.

Under the Agreement, the parties have agreed that not less than one month prior to the expiry of the ten years, KSIIDCL shall offer an option to JSWEL to purchase the property on an outright basis.

Pursuant to the same, JSWEL has exercised its option to buy the land and JSWEL and KSIIDCL entered into a Deed of Sale on August 30, 2006 for the sale of the above land.

4. Fuel and Water Supply Agreement between JSWSL and JSWEL.

This Fuel and Water Supply Agreement entered into between JSWSL and JSWEL on December 12, 2001 to amend, restate and supersede the Fuel Supply Agreement entered into by the parties on December 7, 1995. JSWSL has installed water facilities as one of the common facilities for the steel plant owned by it and the power plant of JSWEL for which JSWEL has paid proportionate share of capital costs.

Under this agreement, JSWSL agrees and undertakes to sell and deliver to JSWEL, and JSWEL agrees and undertakes to purchase, accept and pay for fuel and water in such quantities as specified in the agreement, upon the terms and conditions set out in this agreement and for such price as specified in the agreement. Under this agreement, JSWSL agrees that it shall at all times maintain coal stocks for JSWEL for immediate delivery which shall be available for inspection by JSWEL at all times. JSWSL is also required to maintain the coal systems in accordance with the prudent practices to ensure availability of coal in accordance with JSWEL's requirements. JSWSL is also required to make available to JSWEL supply of water in such quantities as it may require upto a maximum of 28,000 cubic meters per day and up to a maximum rate of 1,200 cubic meters per hours. The seller shall be relieved of his obligation to deliver fuel during the Coal System Maintenance period. The parties have agreed to establish an operating committee which shall develop and agree upon operating procedures no later than one month from the date of this Agreement.

Under the agreement, atleast 30 days before the beginning of each contract year, JSWSL shall submit its plan for the coal systems scheduled maintenance period for information and co-ordination purposes, its plan for the steel plant scheduled maintenance period for that contract period.

In the event of failure by JSWEL to pay the invoice within the due date, JSWEL is liable to pay interest for the period of delay.

This agreement will be in force for a period of 30 years. The parties have a right to serve a notice of termination on the other party in case of an event of default as described in the agreement. The notice of termination is supposed to specify in detail the circumstances giving rise to the notice. Thereafter, the parties are required to consult each other for a period of 45 days in case of a failure of either party to make payments when due and 90 days in case of any other event of default and if the defaulting party is unable to cure the default in the aforesaid period, then the other party may terminate this agreement, by giving a written notice.

6. Letter arrangement with JSWPTC for sale of surplus power

JSWEL entered into a letter arrangement dated March 31, 2007 with JSWPTC for sale of surplus power i.e. upto 240 MW for the period from October 2007 to March 2008. This letter arrangement is an extension of a base letter agreement dated July 10, 2006.

Under the arrangement, the parties agreed that the transmission charges and losses upto delivery point shall be borne by the Company and any charges beyond the delivery point shall be borne by JSWPTC. The billing for the supply of power during a month shall be on fortnightly basis and JSWPTC shall deposit payment within ten days of submission of bills by the Company. The parties have agreed that the Company shall grant a rebate of two percent to JSWPTC on payment of the due amount within ten days and shall charge a surcharge at the rate of 15% per annum in case of delay beyond 30 days of receiving the relevant bill.

In the event of failure of the Company to declare availability of capacity approved for open access as per the relevant provisions of CERC regulation dated January 30, 2004 for the concerned period at least to the extent of 89% in energy terms in Calendar Month, the Company shall pay compensation at 100 paisa per kWh for the shortage quantity to JSWPTC. On similar terms if the power scheduled by JSWPTC is less than 89% in energy terms in a Calendar month of the capacity approved for Open Access for the concerned period in energy terms, JSWPTC shall pay compensation at the rate of 97.5 per kWh for the shortage quantity to the Company. Such compensation shall be applicable for a maximum of 200 MW. The parties agree that in the event of delay in payment of compensation beyond 15 days, the defaulting party shall pay surcharge at the rate of 15% p.a. for the delay period.

JSWEL shall schedule atleast 50% of booked power quantity in any time block of the day except in case of Force Majeure.

II. Raj West Power Project

1. Share Purchase Agreement for RWPL

A Share Purchase Agreement was entered into between Maharaj Jai Singh, Maharaj Prithvi Raj, SMS Investment Corporation Private Limited ("Sellers"), JSW Energy Limited and RWPL on February 10, 2006. RWPL was incorporated to implement lignite based power projects in Barmer. Pursuant to an MoU entered into by the parties dated March 11, 2005, where the Sellers, who hold 52,000 fully paid equity shares constituting 100% of the issued share capital of RWPL have agreed to sell and transfer their legal and beneficial interest over the entire shareholding of RWPL to JSWEL, the parties have entered into this agreement to lay down the terms and conditions of the sale. Under this Agreement, JSWEL has purchased the 52,000 equity shares having a face value of Rs. 10 per equity share along with all rights, benefits, dividends, distributions and other rights attached thereto, and constituting 100% of the share capital of RWPL from the Sellers by waiving the condition precedents by the Sellers as stipulated in the MoU subject to the terms of this Agreement.

At the time of entering into the MoU, JSWEL paid to the Sellers an advance which was adjusted against the sale consideration. Under this agreement, JSWEL has also agreed to pay a lumpsum amount to SMS Investment Corporation Private Limited through RWPL for it to discharge and repay RWPL's entire outstanding loans due.

2. Amended and Restated Consortium Agreement between JSWEL, South West Mining Limited and RWPL

Pursuant to the competitive bidding process for the power plant, where the consortium of West Power was awarded the project on a BOOM basis, West Power formed RWPL as its SPV. An Amended and Restated Consortium Agreement was entered into between JSWEL, South West Mining Limited ("SWML") and RWPL (collectively, "West Power Consortium") on February 28, 2006. Subsequently JSWEL acquired 100% of the shareholding of RWPL vide a Share Purchase Agreement. West Power by their letter dated February 25, 2006 reported to Rajasthan Rajya Vidyut Nigam Limited ("RVNL") that the consortium has now changed and consists of JSWEL and SWML. Both JSWEL and SWML have decided to mutually cooperate in the implementation and execution of the Project, and have hence entered into this Agreement.

Under this agreement, the parties have agreed that JSWEL shall be the lead member of the West Power Consortium. The lead member shall be responsible for the total scope of work during implementation of the project. SWML is the second member of the consortium, and shall assist RWPL in the coal/lignite mining activities of RWPL. The West Power Consortium members undertake to place all technical and other know how, skill, knowledge, specification, information, advice and assistance which it has in its power to provide and which may be necessary or desirable to the Parties for the successful execution of the project by RWPL. RWPL is responsible for the execution of the project. The West Power Consortium members have designated RWPL to represent the consortium in all the dealings with the GoR, RVPNL, and other government and private agencies.

Each of the members undertake, under this agreement, to hold atleast 2% of the total equity in RWPL and not to liquidate or dilute such holding for a period of 15 years from the effective date without the prior approval of GoR and that they will control and contribute at least 11% of the Capital Cost of the Project by subscribing to shares of RWPL. All costs for the development and implementation of the Project including in relation to legal fees and expenses, financial expenses and tax shall be borne by RWPL. No party can withdraw form the consortium during the term of the project.

3. Implementation Agreement between Government of Rajasthan and RWPL

Pursuant to the GoR approving the Consortium to execute the setting up of lignite mining cum thermal power projects at Jalipa and Kapurdi, through RWPL, RWPL was permitted to build, own, operate and maintain, base load power plants comprising of 500 MW each (total 1,000 MW) based on lignite in Barmer at its own costs for a period of thirty years from the commercial operations date of the project on BOOM basis.

Under the terms of this Implementation Agreement entered into on May 29, 2006 between GoR and RWPL, RWPL is required to start generation of power from the first unit within 36 months from the date of signing of the Power Purchase Agreement between the Rajasthan Discoms and RWPL.

RWPL entered into a consent agreement dated March 17, 2006 with the companies listed out in the RWPL Implementation Agreement, ("Rajasthan Discoms"), setting out the understanding for the sale of the entire capacity of the power project and all the net electrical output.

Under the terms of this agreement, the project shall have two components: (i) mining component and (ii) power component. The RWPL Implementation Agreement requires setting up of a joint venture company between RWPL and RSMML for the purposes of carrying out lignite mining for the Mining Component of the project. Investment shall be made by RWPL in the JV with no liability on Rajasthan State Mines & Minerals Limited.

Under the terms of this Agreement, RWPL has to enter into a Fuel Supply Agreement with a JVC, proposed to be entered into between Rajasthan State Mines and Minerals Limited and RWPL (now incorporated as Barmer Lignite Mining Company Limited) for the period of 30 years. Under the terms of this Agreement, if within 16 months of the coming into force of the Agreement, RWPL, *inter alia*, due to its downfall, fails to obtain and provide GoR copies of consents, licenses, permits, approvals, etc. as may be necessary to fulfill the terms of the agreement or if the Company fails to achieve financial closure, GoR may rescind the agreement, after giving a written notice of 30 days.

Further, subject to the conditions laid down in the Implementation Agreement, GoR and RWPL may terminate the RWPL Implementation Agreement by giving a written notice of 60 days to the other party.

4. Project Implementation Agreement between RWPL and JSWEL

A Project Implementation Agreement was entered into between RWPL and JSWEL on March 8, 2007 for setting up of the lignite based power plant in Barmer, to appoint JSWEL as a project implementer for availing its services and assistance to monitor, review, assist, advise and supervise the implementation of the power plant for a lumpsum amount specified in the contract.

This Agreement shall remain in force until the completion of the Project or within 48 months of from the date the BTG Supply Contract comes into effect, whichever is earlier. The term may be extended by mutual consent.

Under this Agreement, the selection of JSWEL's personnel shall not be made without the prior approval of RWPL. JSWEL at all times is required to exercise all proper skill, care, diligence, prudence and foresight to be expected by and from qualified, competent, skilled and experienced engineers. JSWEL shall have full powers to act on behalf of RWPL in the capacity of JSWEL for the proper performance of the services, provided that JSWEL complies with the obligations as set out in this Agreement and obtain the prior approval of RWPL with respect to certain matters as laid down in the agreement. JSWEL is required to act in accordance with all the instructions and directions of RWPL provided that if JSWEL considers that any instruction or direction of RWPL contravenes Good Industry Practice or any statutory requirement then in force and applicable to the power plant or the services, it shall so inform RWPL and make such recommendations to RWPL as it considers appropriate in order to comply with the same. RWPL shall not be bound to follow such recommendations and in the event that it elects not to do so, then JSWEL shall comply with the RWPL's instructions and directions (unless JSWEL is reasonably of the view that compliance therewith would render JSWEL or the RWPL in breach of any statutory requirements then in force and applicable to the power plant or the provisions of the Services). JSWEL shall not be liable to the RWPL under this agreement to the extent that any breach by JSWEL, of its duties under this agreement in the course of carrying out the RWPL's instructions or directions under this clause is attributable to the failure by the RWPL to follow such recommendations. JSWEL has to keep any monitoring engineer appointed by the Lenders in relation to the progress of the works.

At the time of the commercial operation date of each unit of the power plant JSWEL ensure that the performance guarantees as stated in the agreement are met, failing which RWPL may elect to either: request for payment of liquidated damages that are payable for a shortfall in such performance guarantee or require that JSWEL perform any or all corrective actions to and/or repair and/or rebuild the works within a period of six months, as may be necessary and re-test the works, until the works demonstrates achievement of such performance guarantee.

RWPL, under this Agreement is obligated to provide to JSWEL on or near the site, free of cost, for use in connection with the performance of the services, an unfurnished office and residential accommodation for JSWEL's site staff.

If the COD of the project is delayed by more than 90 days from the Scheduled Completion date for reasons attributable to JSWEL, then for a period beyond the initial 90 days, JSWEL shall be liable to pay liquidated damages to RWPL at the rate of Rs. 0.25 million per day for the first 30 days, then Rs. 0.5 million per day for the next 30 days and thereafter Rs. 0.7 million per day for each day of delay. JSWEL's total liability under this Agreement shall not exceed Rs. 2,500 million.

JSWEL is also required to send monthly reports relating to the matters set out in this Agreement and furnish RWPL with all such information which is reasonably available to it relating to the different activities of the power plant to enable it to comply with its disclosure obligations under the insurances which it will take out. JSWEL shall indemnify and hold RWPL harmless against any claims, liabilities, costs, damages and expenses, brought against RWPL by any third party to the extent that it has arisen out of some breach, negligent act or omission by JSWEL.

JSWEL is entitled to suspend the works by giving a written notice of 30 days to RWPL, if it fails to make any payment on due dates as per the payment schedule. Upon such suspension, RWPL cannot enter into any sub contracts in relation to the services. RWPL reserves the right to suspend and reinstate the performance of the whole or part of the agreement. RWPL may also terminate this agreement for: wilful misconduct by JSWEL, breach of its obligations, insolvency of JSWEL or suffers an encumbrance to take possession of its assets, any of the project documents are terminated or the construction of the power plant is stopped and force majeure. JSWEL may terminate this agreement for non payment, breach of RWPL's obligations, insolvency of RWPL or if it suffers an encumbrance to take possession of its assets, construction of the power project is abandoned for a year.

5. **Power Purchase Agreement among Jaipur Vidyut Vitran Nigam Limited, Ajmer Vidyut Vitran Nigam Limited and Jodhpur Vidyut Vitran Nigam Limited and RWPL**

RWPL entered into the Power Purchase Agreement with Jaipur Vidyut Vitran Nigam Limited, Ajmer Vidyut Vitran Nigam Limited and Jodhpur Vidyut Vitran Nigam Limited (Discoms) on October 26, 2006. Under this PPA, RWPL has agreed to sell the entire electricity generated on a long term basis at the tariff as determined by RERC.

Under the PPA, RWPL has agreed to sell to the Discoms and Discoms have agreed to pay the tariff for all of the available capacity and the scheduled electrical output of the power plant throughout its operating periods. Upon delivery of the electrical output at the interconnect point, each of Jaipur Vidyut Vitran Nigam Limited and Ajmer Vidyut Vitran Nigam and Jodhpur Vidyut Vitran Nigam Limited are deemed to have received electrical output from the power plant in the proportion of 36%, 36% and 28%.

RWPL has approached the RERC for in principle determination of project costs, fuel cost and tariff under Section 62 of the Electricity Act, 2003 and RERC has determined the in-principle costs of generation from the project, the capital cost for the project and transfer price of lignite.

Under the PPA, RWPL is responsible for ensuring that the power plant is commissioned in accordance with schedule appended to the PPA. Also, the entire capacity of the power plant and all the units of the power station are at all times for the exclusive benefit of the Discoms, and RWPL can only sell it to a third party if, there is part of the available capacity which is not dispatched or refused by the Discoms, ordinarily entitled to receive such part and the sale realisation in excess of energy charges are to be equally shares with the Discoms and among the Discoms in the ratio of their allocated capacity. RWPL is also entitled to receive the capacity charges from the Discoms.

RWPL is required to use all reasonable efforts to cause the COD to occur on the date mentioned in the PPA, failing which liquidated damages shall be imposed, which shall not exceed five percent of the estimated capital cost of the power plant. It has agreed to give the Discoms at least 30 days advance written notice of the date on which it intends to synchronise a unit to the grid system. Also, RWPL is responsible for ensuring that the power plant is operated and maintained in accordance with all legal requirements and prudent utility practices including getting all consents required for the operation of the power plant in accordance with this PPA. It has to procure and install the metering systems.

The Discoms have agreed that from the COD of the first unit, they shall pay RWPL a monthly tariff payment in accordance with the monthly bill raised by RWPL. The payments of all the amounts under this PPA shall be secured by a letter of credit for tariff payment and GoR guarantee. If the Discoms are unable to implement the security given, it can offer such portion of the available capacity and electricity earmarked for the defaulting Discom to the other non defaulting Discoms, which can elect to receive the whole or any part of the default electricity either himself or by nominating a third party. If the non defaulting Discoms do not elect to receive the electricity, RWPL can sell 25% of such electricity to a third party without losing claim on the capacity charge.

The PPA is valid for a period up to thirty years from the COD of the last unit of the power plant, unless it is terminated earlier pursuant to the terms of the PPA. Either party may also request, in writing not less than one year before the expiry of the agreement, an extension of the term of the agreement. RWPL's default *interalia*, consists of, failure to commission the last unit within 24 months after its scheduled COD, abandonment of the project for two months, failing to achieve average availability of 50% for 18 consecutive months. The Discom's default consists of, non payment of bill within 90 days of the due date of payment, or impeding the payment security mechanism. The parties have a right to serve a notice of termination on the other party on terms as prescribed under the PPA. The notice of termination is supposed to specify in detail the circumstances giving rise to the notice. Thereafter, the parties are required to consult each other for a period as prescribed. If the defaulting party is unable to cure the default in within seven days or such period, as agreed, then the other party may terminate the PPA, by giving a written notice.

6. Joint Venture Agreement between Rajasthan State Mines and Minerals Limited and RWPL

Rajasthan State Mines and Minerals Limited ("RSMML") has, vide letter dated November 13, 2006, been allocated coal blocks in certain lignite mines situated in Jalipa and Kapurdi, District Barmer, Rajasthan.

Pursuant to the Implementation Agreement dated May 29, 2006 ("Implementation Agreement"), RWPL and RSMML agreed to form a mining entity by entering into a joint venture to develop and operate the Mines for the purpose of supply of lignite for the Power Plants. RWPL and RSMML decided to incorporate a JV Company to carry out activities and perform obligations of the Mining Entity under the Implementation Agreement, through this Agreement dated December 27, 2006.

RSMML agreed that upon obtaining the mining lease over the Mines, it shall transfer the same to the JV Company with prior approval of the Government of India.

The objective of this agreement is that RSMML, with the prior approval of GoI and GoR, would after obtaining the mining leases for the Mines, transfer such mining leases, surface rights and any other rights for the development, operation and management of the Mines in favour of the JV Company and will contribute its local knowledge, technical knowledge and other expertise in relation to the Mines. RWPL shall provide management support and the entire investment to the JV Company.

Under the terms of this agreement, RWPL undertakes to make all investments in the JV Company and agrees that RSMML shall have no financial liability with respect to the JV Company including for holding 51% Equity Shares in the JV Company. The Authorised Share Capital of the JV Company shall be Rs. 1200 million and the initial paid up capital shall be Rs. 200 million. The remaining promoter contribution would be brought in by way of unsecured subordinate loans or other instruments as per the approval of the lenders to the Project.

The parties agree to pledge their respective shareholding in the JV Company if required by the lenders for financing the project. The board of directors of the JV Company shall comprise of seven directors, out of which, three each would be appointed by RWPL and RSMML and one by the GoR. The Chairman of the Board shall be nominated by the Chief Secretary, GoR Further, all decisions of the board of directors of the JV Company shall be by way of a majority and voting shall require approval of at least one director of RWPL and one director of RSMML. The Managing Director of the JV Company shall be appointed by RWPL and shall manage the day to day management of the JV Company.

Under the terms of this agreement, the shares shall not be sold to any third party, without the prior written consent of RSMML and RWPL. This agreement shall remain valid and binding on the parties until terminated by mutual consent.

8. Water Supply Agreement entered into between the Government of Rajasthan and RWPL

RWPL has entered into a Water Supply Agreement with the Government of Rajasthan on February 19, 2007. The Water Supply Agreement shall be valid for a period of 30 years from the commercial operation of the Project. GoR shall make available water from the Indira Gandhi Nahar Project to RWPL at the rates that may be specified by the GoR in such quantities as set forth in the Water Supply Agreement on a timely basis to meet the schedule for construction and operation of the project as per the RWPL Implementation Agreement and the PPA. Either party may terminate this agreement by mutual consent.

Other than assignment to lenders, the RWPL shall not, except with the prior approval in writing of the GoR, assign any rights or obligations under this agreement.

GoR, if and when requested by RWPL is required to enter into an agreement with its lenders, agents, trustees, etc. to take over this Agreement such undertakings in favour of the lenders as the lenders may reasonably require as a condition to provide finance in connection with the project including the creation of a mortgage or other security interest on the water supply facilities in favour of the lenders,

The parties may terminate this agreement by mutual consent and no party shall have any further rights and obligations under the agreement, except for such rights and obligations which have arisen prior to such termination.

III. Ratnagiri Project:

1. MoU between the Government of Maharashtra and JSWEL.

The GOM had taken a policy decision vide Government Resolution dated March 28, 2005 to mitigate power shortages and to promote investment in the field of power generation in the State of Maharashtra to make certain administrative and fiscal support to the developers of the power project as per the terms and conditions set out in its policy for State Support for Private Sector Investment in Power Sector. JSWEL was granted the power project and it has agreed to construct and operate Coal Based Thermal Power Plant of 1,000 MW capacity in Ratnagiri. JSW entered into an MoU with the Government of Maharashtra on June 10, 2005 for setting up of the 1,000 MW power plant.

Under the MoU, the GOM has agreed to provide JSWEL with certain administrative and fiscal support as per its policy for State Support for investment in Power Sector. The GOM has agreed to help JSWEL in obtaining all the clearances through a single window within 45 to 60 days from the day of seeking clearances related to the issue under the purview of the State Government. It also agreed to facilitate strengthening/creating of roads, providing right of way, facilitation of availability of water for the project, extend support to JSWEL for obtaining fuel Linkage for the project as infrastructure support.

The GOM has also agreed to grant 100% exemption from Stamp Duty, Registration Charges and Octroi for machinery and other equipments required for initial setting up of the project only. No tax on sale of power outside the state of Maharashtra will be levied. It will facilitate electricity produced by this project to be purchased through MSEB or reconstituted companies as per and under approval of MERC.

Under this Agreement, JSWEL has agreed to the sale of power to the extent of 50% of commissioned capacity and energy generated at any time within the state of Maharashtra. In order to avail of the benefits and support under this Agreement, JSWEL is required to submit its DPR within six months and attain financial closure within one year and commission the project within five years from the date of declaration of policy decision. The MoU is valid for a period of one year and can be extended by mutual consent.

If JSWEL avails certain benefits under this scheme but fails to implement power generation under the stipulated time, it is responsible for repayment towards costs and benefits obtained by it from the State of Maharashtra.

By a letter dated October 12, 2005 the Government of Maharashtra extended the term of the MoU till June 9, 2007. Further, the Cabinet of the Maharashtra Government on December 26, 2007 granted an extension till September 27, 2011.

2. Project Implementation between JSWERL and JSWEL.

A Project Implementation Agreement was entered into between JSWERL and JSWEL on March 25, 2007 for setting up of the Thermal Power Plant in Ratnagiri, to appoint JSWEL as a project implementator for availing its services and assistance to monitor, review, assist, advise and implement the setting up of the power plant for a lumpsum amount specified in the contract.

This Agreement shall remain in force until the completion of the Project or within 48 months from the date the BTG Supply Contract comes into effect, whichever comes earlier. The term may be extended by mutual consent.

Under this Agreement, the selection of JSWEL's personnel shall not be made without the prior approval of JSWERL. JSWEL at all times is required to exercise all proper skill, care, diligence, prudence and foresight to be expected by and from qualified, competent, skilled and experienced personnel. JSWEL shall have full powers to act on behalf of JSWERL in the capacity of JSWEL for the proper performance of the services, provided that JSWEL complies with the obligations as set out in this Agreement and obtain the prior approval of JSWERL with respect to certain matters as laid down in the agreement. JSWEL shall not remove or replace the staff without the prior written consent of JSWERL. JSWEL is required to act in accordance with all the instructions and directions of JSWERL provided that if JSWEL considers that any instruction or direction of JSWERL contravenes Good Industry Practice or any statutory requirement then in force and applicable to the power plant or the services, it shall so inform JSWERL and make such recommendations. JSWEL has to also keep any monitoring engineer appointed by the Lenders in relation to the progress of the works.

At the time of the commercial operation date of each unit of the power plant JSWEL ensure that the performance guarantees as stated in the agreement are met, failing which JSWERL may elect to either: request for payment of liquidated damages that are payable for a shortfall in such performance guarantee or require that JSWEL perform any or all corrective actions to and/or repair and/or rebuild the works within a period of six months, as may be necessary and re-test the works, until the works demonstrates achievement of such performance guarantee.

JSWERL, under this Agreement is obligated to provide to JSWEL on or near the site, free of cost, for use in connection with the performance of the services, an unfurnished office and residential accommodation for JSWEL's site staff.

If the COD of the project is delayed by more than 90 days from the Scheduled Completion date for reasons attributable to JSWEL, then for a period beyond the initial 90 days, JSWEL shall be liable to pay liquidated damages to JSWERL at the rate of Rs. 0.25 million per day for the first 30 days, then Rs. 0.5 million per day for the next 30 days and thereafter Rs. 0.7 million per day for each day of delay. JSWEL's total liability under this Agreement shall not exceed 4,500 million.

JSWEL is also required to send monthly reports relating to the matters set out in this Agreement and furnish JSWERL with all such information which is reasonably available to it relating to the different activities of the power plant to enable it to comply with its disclosure obligations under the insurances which it will take out. JSWEL shall indemnify and hold JSWERL harmless against any claims, liabilities, costs, damages and expenses, brought against JSWERL by any third party to the extent that it has arisen out of some breach, negligent act or omission by JSWEL.

JSWEL is entitled to suspend the works by giving a written notice of 30 days to JSWERL, if it fails to make any payment on due dates as per the payment schedule. Upon such suspension, JSWERL cannot enter into any sub contracts in relation to the services. JSWERL reserves the right to suspend and reinstate the performance of the whole or part of the agreement. JSWERL may also inter alia, terminate this agreement for wilful misconduct by JSWEL, breach of its obligations, insolvency of JSWEL or suffers an encumbrance to take possession of its assets, any of the project documents are terminated or the construction of the power plant is stopped, force majeure. JSWEL may terminate this agreement for non payment, breach of JSWERL's obligations, insolvency of JSWERL or if it suffers an encumbrance to take possession of its assets, construction of the power project is abandoned.

3. Steam Coal Sale and Purchase Agreement between China National Minerals Company Limited and JSWERL

A Steam Coal Sale and Purchase Agreement was entered into between China National Minerals Company Limited ("CNMCL") and JSWERL on October 10, 2006. Under this Agreement, JSWERL intends to purchase for use as fuel at its coal-fired power plants two million tones of coal per year plus or minus ten percent at the vessel's option to account for shipping tolerances, which can be increased up to 25% at the mutual option of the parties. JSWERL is required to take the minim tonnage of 90% failing which CNMCL is entitled to receive compensation equal to the shortfall tonnage. It is the responsibility of JSWERL to arrange for placement of suitable vessels to call upon the landport as per the agreed delivery schedules/laydays. If at any time CNMCL is unable to deliver a shipment of Coal as per the contract, it shall immediately notify JSWERL and with prior intimation of the JSWERL make arrangement to supply coal from any other established source. If the quality of coal pursuant to the quality analysis is not acceptable to JSWERL, then it has a right to reject such inferior coal.

The deliveries under this agreement shall begin once the power station is constructed and will continue for a period of 20 years from the date of commissioning. The deliveries of coal under this Agreement shall be made on the basis of FOBT coal deliveries during the year, shall be evenly spread throughout the year with allowances for adverse weather conditions and for scheduled plant shut downs and maintenance periods. Under this Agreement, a performance bond in the form of a bank guarantee shall be established by both the parties on each other. The contract is terminated in the event either party commits a breach of its undertaking under the contact so as to prevent completion of the other party's obligation. In the event that conditions of force majeure called by either party so that that party's obligations remain suspended for a period or periods amounting in aggregate to 90 days in any consecutive period of 180 days and at the end of the said period the other party concludes that there is no likelihood of ending such conditions in the near future, the other party may terminate this Agreement, by giving a notice of 60 days.

Under this Agreement, it is the responsibility of CNMCL to obtain the requisite export licences and comply with other relevant laws of his country for export if coal. JSWERL is responsible for obtaining import license required for import of coal.

The Contract is governed by the Laws of England and Wales. A dispute shall be referred to and resolved by arbitration under the rules of London Council of International Arbitration.

This Agreement was amended on December 4, 2007, whereby the quantity was increased to 5 mtpa. JSWERL also has been given a right to terminate the agreement after a period of five years by giving a six month notice to CNMCL.

4. Land Lease Agreements between JSWSL and JSWERL

Two land lease agreements were entered into between JSWSL and JSWERL on November 15, 2007 and March 6, 2007 for 306.98 and 57.28 acres respectively. JSWSL is the absolute owner of land measuring 364.26 acres in Ratnagiri. The term of the lease is for a period of 50 years from the date of the agreements, extendable by mutual consent. Within a period of three months after the expiry of the initial period of ten years from the date of commencement of the lease deed, and the satisfactory compliance of the obligations by JSWERL, JSWSL shall offer an option to the JSWERL to purchase the premises on an outright basis.

The JSWERL is required to pay or ensure the payment and discharge of all outgoings such as municipal taxes and other taxes levied by any governmental authority. The lessee is also not entitled to sub-let under-let, assign, mortgage or create any charge on the premises without prior consent of the lessor except mortgage and/or assign its rights and interests under this Lease Deed in favour of the lenders extending loans and financial assistance to the project. It shall also not do or permit to be done any act in the premises, which is contrary to any law, rule or regulation and shall keep the premises insured at all times. The routine maintenance required for the project shall also have to be undertaken by JSWERL.

The agreement is terminated on the expiry of the lease period or by mutual consent In the event at any time after the default by JSWERL in complying with its obligations under this Deed or if any charges payable by it shall be in arrears, JSWSL is entitled to issue a written notice to JSWERL and require it to rectify such default failing which JSWSL shall be entitled to terminate the lease deed by issuing a further notice of three months.

5. Coal Sales Purchase Agreement between JSWERL and PT Sungai Belati Coal

JSW Energy (Ratnagiri) Limited has also entered into a coal sales purchase agreement dated December 26, 2007 with PT Sungai Belati Coal for purchasing coal in respect of its requirement for its 4 x 300 MW power plant. The terms of this agreement are same as that of the coal sales purchase agreement entered into by JSWEL with PT. Singai Belati Coal save for the following:

- The supplies shall commence from July 2008 onwards with 1,000,000 MT which shall increase to 4,000,000 MT from Second Quarter, 2009 onwards;
- The Company has to purchase 4,000,000 MT of coal in each delivery year; and
- The term of the agreement is 25 years from July 2008.

6. Memorandum of Agreement between JSWERL, JSW Jaigarh Port Limited and JSWILL

JSWERL has entered into an agreement on June 5, 2007 with JSW Jaigarh Port Limited ("JSWJPL") and JSWILL for availing cargo handling services at the port facility at Dhamankhol Bay, Jaigarh for the importing raw material like coal for the power plant being developed by it. JSWILL is developing this port through its SPV, JSWJPL. JSWERL has a take or pay obligations wherein it has guaranteed minimum cargo per financial year (Fiscal 2010 – 1 mmtpa, Fiscal 2011 onwards – 4 mmtpa onwards). In the event such minimum cargo is not available, JSWERL is required to pay compensation at the agreed formula. The parties have agreed to a formula in accordance with which JSWERL shall be required to pay for the services. Further, JSWERL shall be entitled to a discount for cargo beyond the minimum assured amount set out above. The term of this agreement is 10 years from the date of signing this agreement subject to the approval of the Maharashtra Maritime Board. The obligations of the parties are subject to force majeure conditions.

IV. Vijayanagar Project

1. Project Management Agreement between JSWEVL and JSWEL

JSWEVL entered into a Project Management Agreement with JSWEL dated October 3, 2006. Under this agreement, the JSWEL is engaged for project management services including assistance in finalizing and awarding contracts for equipments and civil works, coordinating the unloading and handling of equipment at the Indian port of delivery, customs clearance, inland transportation to the site, insurance, receipt, unloading, handling and storage at the site, erection, testing, start-up/commissioning and conducting of performance guarantee tests and supervision during the erection/commissioning of the project. JSWEL is also responsible to provide all personnel required for the work and shall be responsible for the management and supervision of labour.

JSWEL has agreed that it shall perform the entire scope of work of the contract for a fixed lump sum consideration as agreed under the terms of the agreement. The consideration is payable in instalments in accordance with the payment schedule provided in the agreement. The work under the contract is required to be under taken in accordance with the work schedule as laid down in the Agreement.

JSWEL has agreed that the work shall be carried out in such a manner so as to achieve the COD of the Project by December 31, 2008. If the COD is delayed by more than 90 days from the scheduled completion date, then JSWEL is liable to pay liquidated damages at the rate of Rs. one million per day of delay. JSWEL also guarantees that at the time of the COD of each unit, performance parameters as laid down in the agreement will also have to be met, failing which, JSWEL shall, at its own cost, take such corrective action, repair and rebuild, as may be necessary, to rectify and remedy the defects or deficiencies revealed by the tests, after which the tests shall be re-performed. If JSWEL has still not met the parameters, then JSWEVL shall request JSWEL for payment of liquidated damages or perform all corrective actions as may be necessary (as stipulated in the contract).

Under this agreement, JSWEVL shall give JSWEL access to the project site and shall make available all utilities as may be necessary for the completion of the work. JSWEVL shall also be responsible for the procurement of all equipment and materials for incorporation in the work, for maintenance of and cleanliness of the site, and the security and safety of the project site and shall also obtain all approvals required for the execution and performance of its obligations under the agreement.

This Agreement can be terminated by either party, after giving a 60 days notice, when a default by either party is not remedied; a force majeure event has occurred which continues for a period beyond 120 days; for prolonged suspension of works for a period exceeding 120 days or for breach of any representations or warranties made by either party.

2. Power Purchase Agreement between JSWEVL and JSW Steel Limited

JSWEVL entered into the Power Purchase Agreement with JSWSL on September 21, 2006 to sell a part of the capacity and output of the power generation undertaken by JSWEVL through the thermal power plants which it owns, operates and maintains, at the site adjacent to JSWSL's steel plant.

Under this PPA, JSWEVL has agreed to sell to JSWSL and JSWSL has agreed to pay the consideration for the actual capacity and the active energy supplied at the delivery point. JSWEVL has agreed to use its reasonable endeavours in accordance with prudent practices to maintain a power factor at the delivery point of 0.90 or above. The energy supplied shall be subject to technical specification. JSWSL has agreed to subscribe to 26% of the equity share capital issued by JSWEVL and has agreed to consume power in its capacity as a captive consumer of power from the plant.

Under the agreement, JSWEVL has agreed to promptly notify JSWSL of the anticipated date and actual date of commencement of the commissioning period and shall also raise invoices before the tenth day of each month for the capacity payments as adjusted for the amount of any reconciliation made. The power plant is required to be operated as a base load operation. Also, before the commencement date, JSWEVL is requited to enter into an O&M Agreement with JSWEL. Also, at least 30 days before the beginning of each contract year, the seller is required to submit its plan for scheduled maintenance periods for that year to the operating committee. JSWEVL shall also have to keep complete and accurate records and all other data required by JSWSL for the proper administration of the PPA. It shall also procure, install, own and maintain a seller metering system.

The term of the PPA has been prescribed for 10 years, unless terminated earlier pursuant to the terms of the PPA. JSWSL's default *interalia*, consists of, non payment with 75 days of the due date of payment or a material breach by it which has a material adverse effect on JSWEVL. JSWEVL's default *interalia*, consists of, a material breach by JSWSL which has a material adverse effect on JSWSL or it suffers an encumbrance to take possession in respect of its assets or any steps taken with a view to liquidation of the buyer or buyer has become insolvent. The parties have a right to serve a notice of termination on the other party on terms as prescribed under the PPA. The notice of termination is supposed to specify in detail the circumstances giving rise to the notice. Thereafter, the parties are required to consult each other for a period as prescribed. If the defaulting party is unable to cure the default in the prescribed period, then the other party may terminate the PPA, by giving a written notice.

3. Power Purchase Agreement between JSWEVL and JSW Cement Limited

JSWEVL entered into the Power Purchase Agreement with JSW Cement Limited ("JSWCL") on November 13, 2006 to sell a part of the capacity and output of the power generation undertaken by JSWEL through the thermal power plants which it owns, operates and maintains to the slag grinding unit/ cement plant of JSWCL.

Under this PPA, JSWEVL has agreed to offer 26% of the equity share capital to captive users in line with the regulations under Electricity Act, 2003. JSWCL intends to consume power to the extent of one percent of JSWEVL's total gross capacity and has agreed to subscribe to its equity capital.

The obligations of JSWEVL, under the agreement *inter alia*, include, the supply of power up to the capacity contracted at delivery point, on the terms as laid down in the PPA, maintenance of records to demonstrate the plant availability to the extent of 85% of the contracted capacity on a yearly basis and ensuring that power shall be made available on and from the effective date (January 1, 2009). JSWCL is required to pay the tariff at the rates as prescribed in the agreement and all applicable duties and taxes on supply of power including electricity tax. The parties have to obtain all necessary approvals for sale, transmission and purchase of electricity to JSWCL. In the event of failure by JSWCL to pay the invoice within the due date, JSWCL is liable to pay interest for the period of delay calculated at SBI PLR plus one percent and in case for delay of more than 30 days, JSWEVL has the right to stop further supplies of power until all outstanding dues are paid by JSWCL.

Under the terms of the PPA, the metering equipment including meters shall be owned by the JSWEVL and the maintenance and the provision of providing metering data by the JSWEVL to JSWCL shall be according to the prudent practices. The monthly meter readings (both billing and check meters) shall be taken jointly by the parties on the first day of a month at 12:00 noon. Further, neither party to the PPA shall be liable or responsible to the other party, *inter alia*, for incidental, indirect or consequential damages, connected with or resulting from performance or non-performance of the PPA.

The term of the PPA is ten years from the effective date, unless terminated earlier pursuant to the terms of the PPA.

JSWEVL has right of termination, if JSWCL fails to pay the amount outstanding under the agreement or if it commits a material breach of obligation under this agreement and under shareholders agreement. JSWCL has have right of termination if JSWEVL commits a material breach of any obligations under this agreement and under shareholders agreement.

The parties have a right to serve a notice of termination on the other party on terms as prescribed under the PPA. The notice of termination is supposed to specify in detail the circumstances giving rise to the notice. If the defaulting party is unable to cure the default within 60 days, then the other party may issue a written notice that the agreement shall be terminated, if the default is not remedied within a further period of 60 days.

4. Indenture of lease between JSWEL and JSWEVL

JSWEVL entered into an indenture of lease on October 16, 2006 with JSWEL, under which JSWEL has agreed to grant them lease for a land measuring 119.71 acres for setting up of a thermal power plant. The lease is for a period of 30 years, with effect from October 1, 2006.

It has been agreed in this agreement that JSWEL shall get the land, which is subject to a mortgage in favour of IBDI Trusteeship Services Limited, in its capacity as Security Trustee acting on behalf of the lenders of JSWEL, released of the security from IDBI Trusteeship Services Limited.

Under the agreement, JSWEVL, interalia, covenants to construct, develop and complete, at its own expenses, buildings for the purpose of operation of the thermal power plant an dot observe and conform to all such rules and regulations of the Municipal Corporation/ Public Authorities and other Regulator Authorities, in executing the works, as may be in force for the time being and to use the land to conduct its business activities and operations from time to time.

If the rent agreed upon is in arrears for a period of 60 days or when there is a material breach of a covenant, then JSWEL can, after giving a notice of 120 days, re-enter the land and the term granted and right to renewal shall cease. In case of any breach or default of any covenant or condition under this agreement, JSWEL is required to give a notice of 120 days to JSWEVL giving details of the specific breaches of defaults in respect of which re-entry is intended. In the event JSWEVL has failed to remedy the breach, JSWEL shall give a notice of 90 days to JSWEVL's lenders asking them to remedy the breach failing which again, it shall exercise its right to re-entry.

5. Coal Sales Purchase Agreement between JSWEVL and PT Sungai Belati Coal

JSWEVL entered into a coal sales purchase agreement on December 26, 2007 with PT Sungai Belati Coal for purchasing coal in respect of its requirement for its 300 MW power plant. The terms of this agreement are same as that of the coal sales purchase agreement entered into by JSWEL with PT Sungai Belati Coal save for the following:

- The supplies shall commence from July 2008 onwards with 500,000 MT for the period July 2008 to March 2009 which shall increase to 1,000,000 MT thereafter;
- The Company has to purchase 1,000,000 MT of coal in each delivery year; and
- The term of the agreement is 25 years from July 2008.

C. Contracts in relation to the New Projects of the Company

1. MoU between JSWEL and Government of Gujarat.

An MoU dated January 12, 2007 was entered into between JSWEL and GoG during the "Vibrant Gujarat Global Investors Summit, 2007". JSWEL wanted to establish a power project in Junagadh in Gujarat. Under the MoU, the GoG has agreed that in order to enable JSWEL to implement the above project, GOG would facilitate JSWEL to obtain necessary permissions/ registrations from concerned departments of the state and central government and would also help to avail incentives under various schemes announced by the state/central government, wherever applicable.

2. **MoU between the Government of Jharkand and JSWEL.**

An MoU was entered into on September 11, 2006 between the Government of Jharkand and JSWEL for the establishment of a 2000 MW power plant in the state of Jharkand.

Under this MoU the GoJ has agreed to extend all reasonable assistance to JSWEL to set up, construct, commission and operate the power project in Jharkand in accordance with the extant laws/rules/policies. JSWEL has agreed to carry out necessary pre-feasibility studies within six months from the date of this agreement to select a suitable site for the power project. The project shall also be set up in conformity with various constitutional and statutory provisions and policies of the GoI and GoJ. All state level clearances will be provided to JSWEL in accordance with the extant laws by the GoJ or by the appropriate authorities as empowered by the GoJ. GoJ shall assist with the allocation of suitable coal blocks in favour of JSWEL for the project from the GoI. It shall also assist in acquiring land for the project and permit the drawl of the required quantity of water required for the project from nearby rivers, dams or reservoirs at applicable rates. GoJ shall also facilitate connecting the proposed power project to the PGCIL Grid at a convenient point for evacuation of power from the project.

Under the MoU, GoJ shall have the first claim on purchase up to 25% of power delivered to the system by the proposed power plant under terms of the PPA to be mutually agreed on. JSWEL shall have the right to sell the remaining power outside the state of Jharkand. GoJ has also agreed to provide infrastructure facilities to JSWEL.

JSWEL shall also have conduct a rapid EIA and prepare a detailed EIA and an Environment Management Plan for the project. GoJ agrees to extend reasonable assistance in providing data/information available with it during the time when EIA is conducted and EMP is prepared. GoJ also agrees to forward the proposal of JSWEL in obtaining NOC through the State PCB and forest department and to forward proposal of JSWEL for obtaining necessary clearance from the GoI and offer reasonable help required by JSWEL for obtaining such clearance. JSWEL shall be responsible for the R&R of the project affiliated families.

This MoU is valid for 12 months, during which it has to be converted into a definitive agreement.

By an MoU dated October 22, 2007 the parties have agreed to expend the period by another 24 months effective September 11, 2007. Further to this MoU, JSWEL has also agreed that an annual contribution at a rate of six paise per unit of energy sent out from the thermal power plant (except that sold in the state of Jharkand) will be made by it towards the Environment Management Fund set up by the state government.

3. **Joint Venture Agreement for mining of Utkal A- Gopalprasad West (West) Project.**

JSW Steel Limited and JSW Energy ("JSW"), Jindal Stainless Limited and Shyam DRI Power Limited, Kolkata ("SDRIPL") had applied for the allocation of coal blocks in the Mahanadi Coalfields Limited ("MCL") area. Their request was considered by the Government and it was decided to allocate the combined block of Utkal A- Gopalprasad West (West) ("UAGWW") jointly to MCL, JSW, JSL and SDRIPL for working through a JVC. The Ministry of Coal, GoI decided that a JV be formed which would carry out the mining activity jointly at UAGWW as a single mine for deployment of optimum technology and conservation of coal. The JVC was required to be formed between MCL on one hand and JSW, JSL, SDRIPL on the other. An understanding has been reached to by the parties by a MoU dated October 13, 2007 for the development, operation and maintenance of the mine jointly. Pursuant to the MoU, the parties entered into this JV Agreement dated November 12, 2007 to lay down the duties of the JV and the rights and liabilities of the parties to the Agreement. The JVC has been promoted with an aim of taking on lease, establish, develop/build, own, operate and maintain Utkal mine and distribute the produced coal to the JV parties in specified proportions as per this agreement.

The parties have entered into a JV Agreement subject to approval with or without modification by their respective boards, changes which the Ministry of Coal, GoI may direct, legal review. The parties also agreed that a suitable deed of supplement will be executed to give effect to such changes, if any and making it an integral part of the JVA.

The equity holding of MCL, JSW, JSL and SDRIPL in the JVC to be formed shall be 60%, 22% and 9% and 9% respectively. JSWEL's share in this is 11%. The permission for the mining lease is required to be applied by the JVC. It has to purchase the geological report, prepare the mining plan and project report and carry out other necessary statutory formalities for starting the mine. The JVC is required to submit a bank guarantee equal to one year's royalty amount to the Ministry of Coal based on mine capacity. The progress of the mine is to be monitored annually. The main objectives of the JVC are to:

- Acquire land required for establishing of the mine and other allied infrastructure facilities,
- Develop and distribute coal amongst the parties.
- Prepare the project report, EMP/EIA reports and any other studies through CMPDIL or other agencies to obtain Government Sanction.
- Arrange for necessary coal evacuation arrangement up to loading/dispatch point.
- Enter into agreement with the state government, the state agencies and others for land, water, power, other supplies and services.

The authorized share capital of the company at the time of incorporation is Rs. 5,000,000 divided into 500,000 equity shares of Rs. 10 each. The initial paid up capital of this company is Rs. 1,000,000 only divided into 100,000 equity shares of Rs. 10 each. All parties are required to subscribe to subsequent rights issues in their respective proportions. None of the parties to the Agreement can sell out or otherwise transfer any part of their holding without prior written approval of the other parties.

4. Development Agreement for an Integrated Iron and Steel Plant in State of West Bengal

An agreement was entered into between the Government of West Bengal, West Bengal Industrial Development Corporation Limited ("WBIDC"), West Bengal Mineral Development and Trading Corporation Limited ("WBMDTCL") and JSWSL on January 11, 2007. JSWSL proposes to set up a 10 million tones per year capacity integrated iron and steel plant with an associated captive power plant and related facilities in the State of West Bengal. The project is proposed to be implemented by a special purpose joint venture company between JSW Group, WBIDC and WBMDTC and the GOWB has agreed under this agreement to provide necessary governmental assistance and cooperation for implementation of the project.

The parties have agreed that the shareholding of the joint venture company would be in the ratio of 89% for the JSW Group to 11% for WBDIC and WBMTDTC or its nominees. The initial authorised and paid up capital of the company shall be Rs. 1,000 million.

WBMDTC has received consent of the GoI for exploration and mining of Kutli and Ichhapur coal blocks and has agreed to enter into an agreement with JSW Group, wherein it shall be contracted to execute the exploration and mining of coal from the coal blocks. JSWSL has agreed to arrange the requisite iron ore linkages for the project. GOWB has also agreed to assist and facilitate in the availability of land and water for the project. The joint venture company is required to commence and complete the Rapid Environmental Impact Assessment as soon as practible and prepare an Environment Management Plan for the project, after which WBIDC shall liaise with WBPCB, MoEF and GoI for obtaining necessary environmental and forest clearances. GOWB has also agreed to extend reasonable assistance to secure, obtain, renew and maintain all statutory and other approvals from various Governmental Authorities as may be required and assist and facilitate rail and national/state highway linkages for the project. JSWSL has agreed that it is responsible for ensuring financial assistance to the project. The joint venture agreement has to provide at its own cost a rehabilitation and resettlement package for the land losers whose land is to be acquired for the project.

The agreement is terminated when the parties mutually agree to do so or when they agree that the project is technically or commercially unviable. Also, when the shareholders of any party decide to wind up or the party is ordered to be wound up, the agreement stands terminated.

REGULATIONS AND POLICIES

The following are the material regulations pertaining to the power sector.

Power Generation

Background

The development of electricity industry in India was fashioned by two pieces of legislations namely the Indian Electricity Act, 1910 ("Electricity Act") and the Electricity (Supply) Act, 1948 ("Electricity Supply Act"). The Electricity Act introduced a licensing system for the electricity industry and the Electricity Supply Act was responsible for introducing greater state involvement in the industry, facilitating regional co-ordination.

The Electricity Supply Act promoted state-owned, vertically integrated units through the creation of the State Electricity Boards ("SEBs"), to develop "Grid System". Under this legislation, the SEBs were made responsible for generation, transmission and distribution of electricity within the geographical limits of each State of the Indian Union. A government department was responsible for the electricity supply in states where SEBs were not set up. Under the Constitution of India, both the State and Central Governments have the power to regulate the electricity industry.

In the early 1990s, the power sector was liberalized and private participation in the generation sector was permitted by way of amendments in 1991 and 1998 to the Electricity Supply Act to open generation to private sector and establishment of RLDCs and to provide for private sector participation in transmission.

In 1998, the Electricity Regulatory Commissions Act, 1998 ("ERC Act") was enacted by the Central Government. The ERC Act provided for the establishment of independent electricity regulatory commission both at the Central and State levels. These regulatory commissions were set up with the objective of rationalizing the prevailing electricity tariff regime and promoting and regulating the electricity industry in the country.

On the other hand, in view of the growing interest of the foreign investors government has allowed 100% FDI in Generation, Transmission and Distribution.

Salient features of the Electricity Act, 2003

The Electricity Act, 2003 ("EA 2003") is a central unified legislation relating to generation, transmission, distribution, trading and use of electricity, that seeks to replace the multiple legislations that governed the Indian power sector. The most significant reform initiative under the EA 2003 was the move towards a multi buyer, multi seller system as opposed to the existing structure which permitted only a single buyer to purchase power from power generators. In addition, EA 2003 provides for a greater flexibility and grants the respective electricity regulatory commissions greater freedom in determining tariffs, without being constrained by rate-of-return regulations. The Act seeks to encourage competition with appropriate regulatory intervention. An Appellate Tribunal to hear appeals against the decision of the CERC and SERCs has been established. However, EA 2003 provided that transmission, distribution and trade of electricity are regulated activities which require licenses from the appropriate electricity regulatory commission, unless exempted by the appropriate government in accordance with the provisions of EA 2003. It was amended in 2007 to exempt captive power generation plants from licensing requirements for supply to any licensee or consumer. Government has also announced Nation Electricity Policy in 2005 to guide the development of the electricity sector in India.

Licensing

The EA stipulates that no person can transmit; or distribute or undertake trading in electricity, unless he is authorised to do so by a licence issued under section 14, or is exempt under section 13 of the Act. Act provides for transmission licensee, distribution licensee and licensee for electricity trading. There can be a private distribution licensee as well.

Generation

Currently, under Indian law, any generating company can establish, operate and maintain a generating station if it complies with the technical standards relating to connectivity with grid. Approvals from the Central Government, State Government and the techno-economic clearance from the CEA are no longer required, except for hydroelectric projects. Generating companies are now permitted to sell electricity to any licensees and where permitted by the respective state regulatory commissions, to consumers.

In addition, no restriction is placed on setting up of captive power plant by any consumer or group of consumers for their own consumption. Under EA 2003, no surcharge is required to be paid on wheeling of power from the captive plant to the destination of the use by the consumer. This provides financial incentive to large consumers to set up their own captive plants. Through an amendment in 2007, Section 9 was amended to state that no separate license is required for supply of electricity generated from the captive power plant to any licensee or the consumer.

The respective regulatory commissions determine the tariff for supply of electricity from a generating company to any distribution licensee, transmission of electricity, wheeling of electricity and retail sale of electricity. The CERC has the jurisdiction over generating companies owned or controlled by Central Government and those generating companies who have entered into or otherwise have a composite scheme for generation and sale in more than one state. The SERCs have jurisdiction over generating stations within the state boundaries, except those under the CERC's jurisdiction.

Transmission

Transmission being a regulated activity, involves intervention of various players. The Central Government is responsible for facilitating transmission and supply, particularly, inter-state, regional and inter-regional transmission. EA 2003 vests the responsibility of efficient, economical and integrated transmission and supply of electricity with the Government of India and empowers it to make region-wise demarcations of the country for the same. In addition, Central Government will facilitate voluntary inter-connections and coordination of facilities for the inter-state, regional and inter-regional generation and transmission of electricity.

CEA is required to prescribe certain grid standards under the Electricity Act and every Transmission licensee must comply with such technical standards of operation and maintenance of transmission lines. In addition, every Transmission licensee is required to obtain a license from the CERC and the respective SERCs, as the case may be.

EA 2003 requires the central government to designate one government company as the central transmission utility ("CTU"), which would be deemed as a transmission licensee. Similarly, each state government is required to designate one government company as state transmission utility ("STU"), which would also be deemed as a transmission licensee. The CTU and STUs are responsible for transmission of electricity, planning and co-ordination of transmission system, providing non-discriminatory open-access to any users and developing a co-ordinated, efficient and integrated inter-state and intra-state transmission system respectively. EA 2003 prohibits CTU and STU from engaging in the business of generation or trading in electricity.

Under the EA 2003, the Government of India was empowered to establish the National Load Despatch Centre ("NLDC") and Regional Load Despatch Centres ("RLDCs") for optimum scheduling and despatch of electricity among the RLDCs. The RLDCs are responsible for (a) optimum scheduling and despatch of electricity within the region, in accordance with the contracts entered into with the licensees or the generating companies operating in the region; (b) monitoring grid operations; (c) keeping accounts of the quantity of electricity transmitted through the regional grid; (d) exercising supervision and control over the inter-state transmission system; and (e) carrying out real time operations for grid control and despatch of electricity within the region through secure and economic operation of the regional grid in accordance with the grid standards and grid code.

The transmission licensee is required to comply with the technical standards of operation and maintenance of transmission lines as specified by CEA, building maintaining and operating an efficient transmission system, providing non-discriminatory open access to its transmission system for use by any licensee or generating company on payment of transmission charges and surcharge in accordance with EA 2003.

The Act allows IPPs open access to transmission lines. The provision of open access is subject to the availability of adequate transmission capacity as determined by the Central / State Transmission Utility.

The Act also lays down provisions for Intra State Transmission, where state commission facilitate and promote transmission, wheeling and inter-connection arrangements within its territorial jurisdiction for the transmission and supply of electricity by economical and efficient utilisation of the electricity.

Trading

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

The license to engage in electricity trading is required to be obtained from the relevant electricity regulatory commission. The eligibility criteria include norms relating to capital adequacy and technical parameters. However, the National and Regional Load Despatch Centres, Central and State Transmission Utilities and other transmission licensees are not allowed to trade in power, to prevent unfair competition. The relevant electricity regulatory commissions also have the right to fix a ceiling on trading margins in intra-state trading.

Distribution and Retail Supply

The EA 2003 does not make any distinction between distribution and retail supply of electricity. Distribution is a licensed activity and distribution licensees are allowed to undertake trading without any separate license. Under EA 2003, no license is required for the purposes of supply of electricity. Thus, a distribution licensee can undertake three activities: trading, distribution and supply through one license. The distribution licensee with prior permission of the Appropriate Commission, may engage itself in any other activities for optimal utilisation of its assets.

Unregulated Rural Markets

The licensing requirement does not apply in cases where a person intends to generate and distribute electricity in rural areas as notified by the state government. However, the supplier is required to comply with the requirements specified by the CEA such as protecting the public from dangers involved, eliminating/reducing the risks of injury, notify accidents and failures of transmission and supplies of electricity. It shall also be required to comply with system specifications for supply and transmission of electricity. EA 2003 mandates formulation of national policies governing rural electrification and local distribution and rural off-grid supply including those based on renewable and other non-conventional energy sources. This policy initiative is expected to give impetus to rural electrification and also conceptualize rural power as a business opportunity.

Tariff Principles

EA 2003 has introduced significant changes in terms of tariff principles applicable to the electricity industry. Earlier, the rate of return regulation as prescribed in the Sixth Schedule of the Electricity Supply Act, which envisaged a two-part tariff, was the basis of tariff determination. Even in the case of state reform acts, this Sixth Schedule was retained as the basis. EA 2003 has done away with this provision and the two-part tariff mechanism.

Under EA 2003, the appropriate electricity regulatory commissions are empowered to determine the tariff for:

- supply of electricity by a generating company to a distribution licensee: Provided that the Appropriate Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and a licensee or between licensees, for a period not exceeding one year to ensure reasonable prices of electricity;

- transmission of electricity ;

- wheeling of electricity;
- retail sale of electricity. Provided that in case of distribution of electricity in the same area by two or more distribution licensees, the Appropriate Commission may, for promoting competition among distribution licensees, fix only maximum ceiling of tariff for retail sale of electricity.

The appropriate Electricity Regulatory Commission is required to be guided by the following while determining tariff:

- the principles and methodologies specified by the CERC for determination of the tariff applicable to generating companies and licensees;
- generation, transmission, distribution and supply of electricity are conducted on commercial principles;
- the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments;
- safeguarding consumers interest and also ensure recovery of the cost of electricity in a reasonable manner;
- incorporate principles which reward efficiency in performance;
- multi year tariff principles;
- tariff progressively reflects the cost of supply of electricity, at an adequate and improving level of efficiency;
- that the tariff progressively reduces and eliminates cross subsidies in the manner to be specified by the CERC;
- the promotion of co-generation and generation of electricity from renewable sources of energy; and
- the National Electricity Policy and Tariff Policy.

It is to be noted that unlike the ERC Act, the respective electricity regulatory commissions have not been expressly permitted to depart from the tariff determining factors set out above.

However, EA 2003 provides that the electricity regulatory commission shall have to adopt such tariff that has been determined through a transparent process of bidding in accordance with the guidelines issued by the Central Government. The Ministry of Power has issued detailed guidelines for competitive bidding as well as draft documentation (PPAs) for competitively bid projects.

The determination of tariff for a particular power project would depend on the mode of participation in the project. Broadly, the tariffs can be determined in two ways: (i) based on the tariff principles prescribed by the CERC (cost-plus basis consisting of a capacity charge, a variable charge and an unscheduled interchange charge); or (ii) competitive bidding route where the tariff is purely market based.

Modes of participation in power projects

GoI announced major policy reforms in October 1991 widening the scope of private sector participation in power generation. The two modes of participating in power projects are either through the MoU route or the Bidding route.

The initial batch of private sector power projects were therefore awarded generally on the basis of negotiation between the SEB and a single developer (“MoU route”).

MoU Route

The cost determination under the MoU route usually involves:

- determination of receivables of capital cost. The capital costs are required to be approved by a CEA, Government of India;
- approval of interest rates and local and foreign debt;
- finalizing the term of loans and/or or other debt;
- finalizing the extent of foreign exchange protection;
- fixing operating parameters within the prescribed ceilings;
- identifying Deemed Generation provisions;
- evaluating the extent of despatchability;
- evaluating the level of incentive payments;
- identifying change in law in terms of tax or any other matter;
- identifying the extent of working capital permissible;
- evaluating the premium on fuel prices for assured supply;
- identifying fuel supply and transportation risk and issues;
- evaluating escalations in operation and maintenance and insurance expenses permissible;
- evaluating the extent of maintenance of spares permissible; and
- rebates in respect of prompt payment.

The MoU route with a cost plus approach was initially adapted to attract investment. However, there were several complexities in calculating the above costs despite the capital cost of the project being frozen by the CEA. Under EA 2003, the CEA does not have the power to determine capital cost for the projects anymore and the requisite filings for approval of capital cost and tariff are with the regulatory commissions.

This cost plus tariff mechanism is not ideally suited for competitive bidding as this would require bidding on every element of cost of generation which becomes difficult to verify and monitor over the life of the PPA. Further, the nature of costs for IPPs is very different from public sector power project costs and in the absence of complete knowledge of cost profile, it would be impossible to design a competitive bidding process based on cost plus approach that is fair to both sides thereby eliciting good investor response. In light of the same, the competitive bid route was envisaged.

Bid Route

Bidding essentially is based on bulk power tariff structure. As noted, under EA 2003, the regulatory commission is required to adopt a bid- based tariff, although the Bidding Guidelines permit the bidding authority to reject all price bids received. The tariff structure recommends bid evaluation on the basis of levelised tariff for fixed cost components, escalable and non-escalable costs and certain operational parameters such as heat rate, auxiliary consumption, etc. The Bidding Guidelines envisages two types of bids: Case I bids, where the location, technology and fuel is not specified by the procurers, i.e. the generating company has the freedom to choose the site and the technology for the power plant; and Case II bids, where the projects are location specific and fuel specific.

Tariff rates for procurement of electricity by distribution licensees (Procurer), to be decided, can be for:

- long-term procurement of electricity for a period of 7 years and above;
- Medium term procurement for a period of upto 7 years but exceeding 1 year.

For long-term procurement under tariff bidding guidelines, a two-stage process featuring separate Request for Qualification (RFQ) and Request for Proposal (RFP) stages shall be adopted for the bid process. The procurer may, at his option, adopt a single stage tender process for medium term procurement, combining the RFP and RFQ processes

Under the bid route, typically the IPPs can bid at two parameters:

- The fixed or capacity charge; and
- The variable or energy charge, which comprises the fuel cost for the electricity generated. Bidders are usually permitted to quote a base price and an acceptable escalation formula.

The Bidding Guidelines envisages a two-step process – pre-qualification and final bid. Bidders are required to submit a technical and financial bid at the RFP stage.

Increasingly, the trend is to have all purchase of power and distribution licenses through competitive bids. The Tariff Policy 2006 requires that all procurement of power after January 6, 2006 (except for PPAs approved or submitted for approval before January 6, 2006 or projects whose financing has been tied up prior to January 6, 2006) by distribution licensees has to be through competitive bidding. Some state regulators have, however, continued to purchase power under the MoU route, stating that the Tariff Policy is merely indicative and not binding.

Roles of key organisations and players

The roles and functions of certain key organisations and players that operate in the power sector have been set out below:

Central and State Governments

The EA 2003 reserves a significant involvement of the central government in the functioning of the power sector. It has been assigned a number of duties, including planning and policy formulation, rule making, appointing, establishing, designating authority, prescribing duties and other tasks, funding, and issuing directions.

The central government designates a CTU and establishes the NLDC, RLDC, the Appellate Tribunal, the Coordination Forum, and the Regulators' Forum. It has the power to vest the property of a CTU in a company or companies and decide on the jurisdiction of benches of the Appellate Tribunal. It also prescribes the duties and functions of the CEA, NLDC and RLDC.

The Central Government is also responsible for the following: a) specifying additional requirements for granting more than one distribution licensee; b) providing no-objection certificates for granting license if the service area includes central government installations such as cantonment, aerodrome, defence area, etc; c) demarcating the country into transmission regions for the purpose of inter-state transmission; d) issuing guidelines for transparent bidding process; e) approving the salary and benefits of the employees of the CEA, CERC and Appellate Tribunal; f) referring cases to the Appellate Tribunal for removal of members of the CERC on the ground of misbehaviour; and g) prescribing the procedures for inquiry into misbehaviour by members.

The state government exercises appointing, designating powers, provides funds and makes rules notifications, etc. It has the powers to appoint or remove members of the SERC including the chairman, to approve the terms and conditions of appointment of the secretary to the SERC and other staff. It is also responsible for constituting the selection committee for appointing members of SERC. It establishes the SLDC, notifies the STU, vests property of STU in companies, draws up reorganisation of the SEB through acquiring its assets and re-vests it through a transfer scheme. It is empowered to constitute special courts, and state coordination forum. The state government creates the SERC fund and can provide loan or grants for running the SERC. It also decides how the SERC should utilize the fund and how it should maintain accounts. The state government can also provide subsidy to consumers, but EA 2003 requires it to compensate the licensee in advance by the amount of loss expected to be suffered by the licensee in implementing the subsidy. The state government notifies rural areas where exemption of license conditions would apply and issues directions to the SERC on public interest issues.

Central Electricity Authority

The CEA was created under the Electricity Supply Act and EA 2003 retains the agency by relegating it mostly to a consultative role. There was some overlap of duties and power between the CERC and the CEA earlier, which EA 2003 has now removed. The technical clearance required for power projects under the provisions of the Electricity Supply Act has been eliminated, except in cases of hydro projects above a certain capital investment.

Electricity Regulatory Commissions

EA 2003 retains the two-level regulatory system for the power sector. At the central level, the CERC is responsible for regulating tariff of generating stations owned by the central government, or those involved in generating or supplying in more than one states, and regulating inter-state transmission of electricity. The SERCs on the other hand regulate intra-state transmission and supply of electricity within the jurisdiction of each state. CERC and the SERCs are guided by the National Electricity Policy, Tariff Policy and the National Electricity Plan while discharging their functions under EA 2003. The Electricity Regulatory Commissions are also guided by any direction given by the central government for CERC or the state government for the SERC pertaining to any policy involving public interest. The decision of the government is final and non-challengeable with respect to the question that whether directions pertain to policy involving public interest or not. The commissions have been entrusted with a variety of functions including determining tariff, granting licensees, settling disputes between the generating companies and the licensees. The Electricity Regulatory Commissions are a quasi-judicial authority with powers of a civil court and an appeal against the orders of the Commissions lie to the Appellate Tribunal.

Appellate Tribunal

Under the earlier electricity legislations, the High Court was the appellate authority against orders that are passed by the SERC. Under EA 2003, the Appellate Tribunal has been set up as an appellate body against orders of the relevant electricity regulatory commissions or adjudicating officers in settling disputes. The Appellate Tribunal has the power to summon, enforce attendance, require discovery and production of documents, receive evidence and review decisions. The orders of the Appellate Tribunal are executable as decrees of a civil court. The orders of the Appellate Tribunal can be challenged in the Supreme Court by the aggrieved party.

Enforcement Agencies

The roles and functions of certain key enforcement agencies that operate in the power sector have been set out below:

Investigating Authority

The Electricity Regulatory Commissions have the powers to direct any person to investigate the affairs of and undertake inspection of the generating company if there is any failure by the generating company/licensee to comply with the provisions of the EA 2003 or the license, licensee. The Electricity Regulatory Commissions may direct the generating company/licensee to take such action as may be necessary upon receipt of report from such Investigation Authority.

Electrical Inspector

If the relevant government receives a complaint that there has been an accident in connection with the generation, transmission, distribution or supply of electricity or that in case of use of electrical lines or electrical plant, there is a likelihood of injury to human being or animal, it may require an Electrical Inspector to inquire and report as to the cause of the accident and the manner and extent to which the provisions of EA 2003 have been complied with. The Electrical Inspector is vested with the powers of a civil court under the Civil Procedure Code, 1908 for enforcing the attendance of witnesses and compelling the production of documents and material objects.

Foreign Investment Regulation

The industrial policy was formulated in 1991 to implement the Government's liberalisation programme and consequently industrial policy reforms relaxed industrial licensing requirements and restrictions on foreign investment. The procedure for investment in the power sector has been simplified for facilitating Foreign Direct Investment. Foreign Direct Investment is allowed under the automatic route for 100 % in respect of projects relating to electricity generation, transmission and distribution, other than atomic reactor power plants. There is no limit on the project cost and the quantum of foreign direct investment.

Indian Energy Exchange For Online Trading In Electricity

Indian Energy Exchange ("IEX") is India's first nationwide, automated, and online electricity trading platform. The exchange is planned to be operational by early 2008. Approved by Central Electricity Regulatory Commission on 31st August, 2007, the exchange would enable efficient price discovery and price risk management in the electricity market besides providing benefits like transparency and cost efficiency to its members. In February 2007, the CERC issued guidelines for grant of permission to set up power exchanges in India. Financial Technologies responded by proposing 'Indian Power Exchange Ltd' and applied for permission to set it up and operate it within the parameters defined by CERC and other relevant authorities.

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.

As a promoter, Financial Technologies is leveraging its technical expertise in IEX through prior experience of setting up commodity exchange, i.e. Multi Commodity Exchange of India in the country. The other co-promoter is Power Trading Corporation, a leading power trading company with 44% market share.

Environmental Regulations

The Company has to comply with the provisions of the Environmental Protection Act, 1986, relevant Forest Conservation Acts, Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Waste (Management and Handling) Rules, 1989.

The Company is required to obtain and maintain statutory clearances relating to Pollution Control and Environment in relation to its power projects.

Kyoto Protocol and Carbon Credits

The Kyoto Protocol is a protocol to the International Framework Convention on Climate Change with the objective of reducing 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.

The Kyoto Protocol defines legally binding targets and timetables for reducing the GHG emissions of industrialized countries that ratified the Kyoto Protocol.

Governments have been separated into developed nations (who have accepted GHG emission reduction obligations) and developing nations (who have no GHG emission reduction obligations). The protocol includes "flexible mechanisms" which allow developed nations to meet their GHG emission limitation by purchasing GHG emission reductions from elsewhere. These can be bought either from financial exchanges, from projects which reduce emissions in developing nations under the CDM, the Joint Implementation scheme or from developed nations with excess allowances.

Typical emission certificates are:

- Certified Emission Reduction;

- Emission Reduction Unit (ERU); and
- Verified Emission Reduction (VER).

CERs and ERUs are certificates generated from emission reduction projects, under the CDM for projects implemented in developing countries, and under Joint Implementation ("JI") for projects implemented in developed countries, respectively. These mechanisms are introduced within the Kyoto Protocol. For projects which cannot be implemented as CDM or JI, but still fulfill the required standards, VERs can be generated. VERs, however, cannot be used for compliance under the Kyoto Protocol.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Main Objects

Our main objects as contained in our Memorandum of Association are:

1. To build, own and/or operate power plants either alone or in joint venture, especially in India.

2. To generate, develop and accumulate electrical power at any place or places in India and to transmit, distribute and supply such power.

3. To carry on the business of an electric power light and supply Company in all its branches and in particular to construct, lay down, establish, fix and carry out all necessary power stations, cables, wires, lines, accumulators, lamps and works, and to generate, accumulate, distribute and supply electricity, and to light cities, towns, streets, docks, markets, theatres, buildings and places both public and private.

4. To enter into joint venture agreement, either directly or indirectly, with Tractebel, S.A., a company incorporated under the law of Belgium, having its registered office at 1 Place Durone, B-1000, Brussels (Belgium) for the purpose of carrying out the above objects.

Change in Name

Dates	Events relating to change of name
March 10, 1994	Incorporated as Jindal Tractebel Power Company Limited
January 17, 2002	Change of name from Jindal Tractebel Power Company Limited to Jindal Thermal Power Company Limited
December 7, 2005	Change of name from Jindal Thermal Power Company Limited to JSW Energy Limited

The aforesaid changes were made in the name to reflect the changing nature of the business or the constitution of the company and/or to clearly reflect the nature of the business.

Key Milestones

Sr. No.	Date	Details
1.	March 10, 1994	The Company was originally incorporated as Jindal Tractebal Power Company Limited (50:50 JV between JSW Steel Limited and Tractebal, S.A., Belgium)
2.	January 17, 2002	Name changed to Jindal Thermal Power Company Limited, after Tractebal, S.A., Belgium sold their holding to JSW group companies and financial institutions
3.	December 7, 2005	Company name changed to JSW Energy Limited
4.	February 10, 2006	Acquisition of Raj WestPower Limited under the Share Purchase Agreement entered between the Company and the erstwhile individual Shareholders/ Promoters of RWPL.
5.	May 5, 2006	Incorporation of JSW Energy (Vijayanagar) Limited as a Subsidiary
6.	June 13, 2006	Incorporation of JSW Energy (Ratnagiri) Limited as a Subsidiary
7.	July 8, 2006	Incorporation of JSW Power Trading Company Limited as a Subsidiary
8.	January 19, 2007	Formation of the joint venture company, Barmer Lignite Mining Company Limited by virtue of Joint Venture Agreement between Raj WestPower Limited, and Rajasthan State Mines and Minerals Limited
9.	March 28, 2007	Acquisition of PT Param Utama Jaya
10.	July 3, 2007	Incorporation of JSW Power Transco Limited
11.	November 1, 2007	Approval of the scheme of arrangement for the demerger of the investment division of the Company and vesting of the same with JSW Energy

Sr. No.	Date	Details
		Investments Private Limited

Awards/ certifications received by the Company

The Company has received the following awards/ certifications:

1. ISO-9001 and 14001 certifications awarded by BVQI for Quality Management, Environment Management and Occupational Health and Safety Management Systems.

2. CII Leadership And Excellence Award for Safety, Health and Environment for best safety practices in 2003

3. Greentech Safety Award in 2003 for outstanding achievement in the field of safety.

4. Safety Excellence Award from GRISD for 2005 and 2006 for best safety systems and performance.

5. Karnataka State Safety Excellence Award in 2007 for best safety systems from Directorate of Factories and Boilers, Karnataka.

6. Best Performing and Safe Boiler in Power Plant by Directorate of Factories and Boilers, Govt of Karnataka and GRISD in the year 2007.

Amendments to the Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date	Particulars
April 1, 1996	Increase in Authorised Share Capital of the Company from Rs. 10,000,000 (Rupees Ten Million) to Rs. 4,000,000,000 (Rupees Four Thousand Million)
January 17, 2002	Name changed to Jindal Thermal Power Company Limited from Jindal Tractebal Power Company Limited
December 7, 2005	Name changed to JSW Energy Limited from Jindal Thermal Power Company Limited.
December 29, 2006	Amendment in the Object Incidental or Ancillary to the Attainment of the Main Objects Clause of the Memorandum of Association of the Company by inserting clauses 48 to 51 relating to the business of mining and other related field.
December 21, 2007	Increase in the Authorised Share Capital of the Company from Rs. 4,000,000,000 (Rupees Four Thousand Million) to Rs. 10,000,000,000 (Rupees Ten Thousand Million)

Promoters and Subsidiaries

For details regarding our Promoters, please see "Our Promoters and Promoter Group" on page [●] of the Draft Red Herring Prospectus. We have six subsidiaries. For details regarding our subsidiary companies, please see "Our Subsidiaries" on page [●] of the Draft Red Herring Prospectus.

Other Agreements

All our material Agreements and Joint Venture Agreements are outlined in "Description of Certain Key Contracts" on page [●] of this Draft Red Herring Prospectus.

Scheme of Demerger

The High Court of Bombay by its order dated November 1, 2007 approved the scheme of arrangement between JSWEIPL and JSWEL for demerger of the Investment Division of the Company into JSWEIPL under the provisions of sections 391 to 394 and other relevant provisions of the Companies Act. This scheme became effective on December 3, 2007. JSWEIPL was the wholly owned subsidiary of our Company. The entire subscribed and paid up capital of the Company was held by JSWEL. Pursuant to the demerger, the investment division of our Company was demerged into JSWEIPL and all the rights, title, interest and liabilities pertaining to the Investment Division were transferred to JSWEIPL. All investments held by the Company in JSWEIPL stood cancelled. Pursuant to the said scheme of arrangement approved by the High Court of Bombay, JSWEIPL allotted shares to the shareholders of the Company in the approved ratio of one equity share of the face value of Rs. 10 each of JSWEIPL for every 170 Equity Shares of the face values of Rs. 10 each fully paid up held in the Company. See "Material Contracts and Documents for Inspection" on page [●] of this Draft Red Herring Prospectus.

OUR SUBSIDIARIES

We have six Subsidiaries. None of the Subsidiaries has made any public or rights issue in the last three years and have not become sick companies under the meaning of SICA and are not under winding up.

JSW Energy (Vijayanagar) Limited

JSW Energy (Vijayanagar) Limited was incorporated on May 5, 2006, under the Companies Act. This company was incorporated for setting up a 600 MW coal based power plant at Toranagallu, Karnataka. The registered office of JSWEVL is at 5A, Jindal Mansion, G. Deshmukh Marg, Mumbai 400 026.

Board of directors

The board of directors of JSWEVL consists of:

Mr. N.K. Jain	Chairman
Mr. S.S. Rao	Vice Chairman
Mr. R.R. Pillai	Director
Mr. Pramod Menon	Director
Mr. Prashant R. Deshpande	Independent Director

Shareholding pattern

The shareholding pattern of JSWEVL as on December 31, 2007 is as follows:

Name of the shareholders	No. of Shares	Percentage
JSW Energy Limited	188,000,000	70.15
JSW Steel Limited	80,013,000	29.85
JSW Power Trading Company Limited*	100	0.00
Raj WestPower Limited*	100	0.00
Mr. Nirmal Kumar Jain*	100	0.00
Mr. S.S. Rao*	100	0.00
Mr. Pramod Menon*	100	0.00
Total	**268,013,500**	**100.00**

** Shares held as nominee of JSWEL*

Financial Performance

The summary audited financial statements for the last Fiscal is as follows:

(Rs. in Million except per share data)

Particulars	Fiscal 2007*
Equity Capital	1900.14
Reserves	Nil
Preliminary / Share Issue Expenses	29.38
Sales	Nil
Profit/(Loss) after Tax	Nil
Earnings Per Share (EPS)	Nil
Net Asset Value (NAV) per share	9.85

* Since this company was incorporated in May, 2006, no financials are available for Fiscal 2006 and Fiscal 2005.

JSW Energy (Ratnagiri) Limited

JSW Energy (Ratnagiri) Limited was incorporated on June 13, 2006, under the Companies Act. This company was incorporated for setting up a 1,200 MW power plant at Jaigard, Ratnagiri District, Maharashtra, based on imported coal. The registered office of JSWERL is at 5A, Jindal Mansion, G. Deshmukh Marg, Mumbai 400 026.

Board of directors

The board of directors of JSWERL consists of:

Mr. N.K. Jain	Chairman
Mr. S.S. Rao	Vice Chairman
Mr. K. J. Varkey	Director
Mr. Pramod Menon	Director
Mr. Chandan Bhattacharya	Independent Director

Shareholding pattern

The shareholding pattern of JSWERL as on December 31, 2007 is as follows:

Name of the shareholders	No. of Shares	Percentage
JSW Energy Limited	211,000,000	100.00
JSW Energy (Vijayanagar) Limited*	100	0.00
JSW Power Trading Company Limited*	100	0.00
Raj WestPower Limited*	100	0.00
Mr. Nirmal Kumar Jain*	100	0.00
Mr. S.S. Rao*	100	0.00
Mr. Pramod Menon*	100	0.00
Total	**211,000,600**	**100.00**

* *Shares held as nominee of JSWEL*

Financial Performance

The summary audited financial statements for the last Fiscal is as follows:

(Rs. in Million except per share data)

Particulars	Fiscal 2007*
Equity Capital	500.00
Reserves	Nil
Preliminary / Share Issue Expenses	25.87
Sales	Nil
Profit/(Loss) after Tax	Nil
Earnings Per Share (EPS)	Nil
Net Asset Value (NAV) per share	9.48

Since this company was incorporated in June 2006, no financials are available for Fiscal 2006 and Fiscal 2005.

Raj WestPower Limited

Raj WestPower Limited was incorporated on January 5, 1996 under the Companies Act as Raj WestPower Private Limited. The entire shareholding of RWPL was acquired by the company pursuant to a Share Purchase Agreement dated February 10, 2006 thereby making it a wholly owned subsidiary of the Company. The name of this company was changed to Raj WestPower Limited in October 19, 2006. RWPL is setting up 1,080 MW lignite based power plant at Barmer, Rajasthan. The registered office of the company is at 308-311, Geetanjali Towers, Ajmer Road, Jaipur 302 006.

Board of directors

The board of directors of RWPL consists of:

Mr. N.K. Jain	Chairman
Mr. S.S. Rao	Vice Chairman
Maharaj Jai Singh	Director
Mr. Upinder Singh	Director
Mr. Prashant R. Deshpande	Independent Director
Mr. Pramod Menon	Director

Shareholding pattern

The shareholding pattern of RWPL as of December 31, 2007 is as follows:

Name of the shareholders	No. of Shares	Percentage
JSW Energy Limited	375,601,900	100.00
Mr. Sajjan Jindal*	100	0.00
Mr. Nirmal Kumar Jain*	100	0.00
Mr. S.S. Rao*	100	0.00
Mr. Pramod Menon*	100	0.00
JSW Energy (Vijayanagar) Limited*	100	0.00
JSW Power Trading Company Limited*	100	0.00
Total	**375,602,500**	**100.00**

** Shares held as Nominee of JSWEL*

Financial Performance

The summary audited financial statements for the last three Fiscals are as follows:

(Rs. in Million except per share data)

Particulars	Fiscal 2005	Fiscal 2006	Fiscal 2007
Equity Capital	0.52	18.52	1648.53
Reserves	Nil	Nil	Nil
Preliminary / Share Issue Expenses	0.03	0.03	19.87
Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Earnings Per Share (EPS)	Nil	Nil	Nil
Net Asset Value (NAV) per share	9.42	9.98	9.88

JSW Power Trading Company Limited

JSW Power Trading Company Limited was incorporated on July 8, 2005 under the Companies Act. This company was incorporated to carry on the business of power trading and was granted a power trading licence in 2006. The registered office of JSWPTC is at 5A, Jindal Mansion, G. Deshmukh Marg, Mumbai 400 026.

Board of directors

The board of directors of JSWPTC consists of:

Mr. N.K. Jain	Chairman
Mr. S.S. Rao	Joint Managing Director
Mr. Satish Jindal	Director
Mr. Chandan Bhattacharya	Independent Director
Mr. Pramod Menon	Director

Shareholding pattern

The shareholding pattern of JSWPTC as on December 31, 2007 is as follows:

Name of the shareholders	No. of Shares	Percentage
JSW Energy Limited	69,999,400	100.00
Sun Investments Private Limited*	100	0.00
Vrindavan Services Private Limited*	100	0.00
Reynolds Traders Private Limited*	100	0.00
Mr. Nirmal Kumar Jain*	100	0.00
Mr. S. S. Rao*	100	0.00
Mr. Pramod Menon*	100	0.00
Total	**70,000,000**	**100.00**

** Shares held as nominee of JSWEL*

Financial Performance

The summary audited financial statements for the last two fiscals are as follows:

(Rs. in Million except per share data)

Particulars	Fiscal 2006*	Fiscal 2007
Equity Capital	200.00	700.00
Reserves	0.96	55.32
Sales	Nil	4461.62
Profit/(Loss) after Tax	0.96	54.37
Earnings Per Share (EPS)	0.05	2.42
Net Asset Value (NAV) per share	10.05	10.79

* Since this company was incorporated in July 2005, no financials are available for Fiscal 2005.

JSW PowerTransco Limited

JSW PowerTransco Limited was incorporated as a wholly owned subsidiary of JSWEL on July 3, 2007 under the Companies Act. JSWPTL intents to venture into power transmission business. The registered office of JSWPTL is at 5A, Jindal Mansion, G. Deshmukh Marg, Mumbai 400 026.

Board of directors

The board of directors of JSWPTL consists of:

Mr. Sattiraju Seshagiri Rao	Chairman
Mr. Navraj Singh	Director
Mr. Pramod Menon	Director

Shareholding pattern

The shareholding pattern of JSWPTL as on December 31, 2007 is as follows:

Name of the shareholders	No. of Shares	Percentage
JSW Energy Limited	49,400	98.80
JSW Energy (Ratnagiri) Limited*	100	0.20
JSW Power Trading Company Limited*	100	0.20
JSW Energy (Vijayanagar) Limited*	100	0.20
Mr. S. S. Rao*	100	0.20
Mr. Pramod Menon*	100	0.20
Mr. K. J. Varkey*	100	0.20
Total	**50,000**	**100.00**

* Shares held as nominees of JSWEL.

There are no financial figures available as this company was incorporated in July 2007.

PT Param Utama Jaya

PT Param Utama Jaya was incorporated on September 7, 2006 in Indonesia. The entire shareholding of PTPUJ was acquired by the Company pursuant to a Share Purchase Agreement dated January 18, 2007 thereby making it a wholly owned subsidiary of the Company. As per the approval granted by the Ministry of Justice, Indonesia, this company is allowed to carry on the business related to consultancy related services. The registered office of this company is Gedung Surya Lt. 6, Suite 604, JL. MH Thamrin Kav, 9, Kel. Gondangdia, Kec. Menteng, Jakarta Pusat.

Board of directors

The board of directors of PTPUJ consists of:

Mr. Vishnu Prakash Garg	President Commissioner
Mr. Tuhin Kumar Mukherjee	Director

Shareholding pattern

The shareholding pattern of PTPUJ as on December 31, 2007 is as follows:

Name of the shareholders	No. of Shares[#]	Percentage
JSW Energy Limited	1,499	99.93
JSW Power Trading Company Limited*	1	0.07
Total	**1,500**	**100.00**

** Shares held as nominee for JSWEL*
[#] face value of shares in Rupiah

Financial performance

The summary audited financial statements for the last fiscal is as follows:

(Rs. in Million except per share data)

Particulars	Fiscal 2007*
Equity Capital	7.11
Reserves	0.002
Sales	Nil
Profit/(Loss) after Tax	0.002
Earnings Per Share (EPS)	1.33
Net Asset Value (NAV) per share	4741.33

* Since this company was incorporated in September 2006, no financials are available for Fiscal 2006 and Fiscal 2005.

OUR MANAGEMENT

Board of Directors

The Articles of Association of the Company require the number of Directors (excluding Debenture and Alternate Directors) shall not be less than four nor more than twelve.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus:

Name, Father's Name, Address and Occupation	Age	Status of Director in our Company	Other Directorships
Mr. Sajjan Jindal S/o Late Mr. Om Prakash Jindal Jindal House, No. 32, Walkeshwar Road, Mumbai 400 006, Maharashtra Business	48	Chairman Non – Executive	• Jindal South West Holdings Limited • JSW Steel Limited • JSW Infrastructure & Logistics Limited • Vrindavan Fintrade Limited • Twenty First Century Printers Limited • JSOFT Solutions Limited • JSW Steel (U.K.) Limited • JSW Steel (Netherlands) B.V.
Mr. N.K. Jain S/o Mr. Bradhi Chand Jain 302, Suman, Playground Road, Vile Parle (East), Mumbai 400 057, Maharashtra Service	61	Vice – Chairman Non – Executive	• Jindal Coated Steel Private Limited • Raj WestPower Limited • Jindal Praxair Oxygen Company Private Limited • Sapphire Technologies Limited • Jindal South West Holdings Limited • Heritage Airlines Private Limited • Windsor Residency Private Limited • Tanvi Residency Private Limited • Tarini Properties Private Limited • Hampi Investments Private Limited • JSW Power Trading Company Limited • Vijayanagar Minerals Private Limited • South West Port Limited • JSW Aluminium Limited • JSW Energy (Ratnagiri) Limited • JSW Energy (Vijayanagar) Limited • JSW Infrastructure & Logistics Limited • JSW Jaigarh Port Limited • Barmer Lignite Mining Company Limited

Name, Father's Name, Address and Occupation	Age	Status of Director in our Company	Other Directorships
Mr. S.S. Rao S/o Mr. Sundera Siva Rao "Sarthy" Flat No. 301, 33, K. M. Munshi Marg, Chowpatty Mumbai – 400 007, Maharashtra Service	60	Joint Managing Director and CEO Executive Director	• JSW Power Trading Company limited • Raj WestPower Limited • JSW Energy (Vijayanagar) Limited • JSW Energy (Ratnagiri) Limited • JSW PowerTransco Limited
Mr. Siby Antony S/o Mr. Joseph Antony 43 – A, Jolly Maker I Apartments, Cuffe Parade, Mumbai 400 005, Maharashtra Service	59	Nominee Director of IDBI Independent Director	• Stock Holding Corporation of India Limited • Asset Reconstruction Company (India) Limited
Mr. P. Suresh S/o. Mr. P. Venkata Ramana 12, Versova Venus CHS, Mhada, SVP Nagar, Andheri (West), Mumbai 400 053 Service	36	Nominee Director of ICICI	• ICICI Kinfra Limited • Petronet India Limited
Mr. D J Balaji Rao S/o Mr. D.B. Jagannath Rao D-103, Adarsh Residency, 47th Cross (2nd Main), Jayanagar, 8th Block, Bangalore 560 082 Service	68	Independent Director	• Ashok Leyland Limited • Bajaj Auto Limited • 3M India Limited • Ennore Foundries Limited • Prudential ICICI Trust Limited • Graphite India Limited
Mr. P. Abraham S/o Mr. P. Sundaram Flat No. 5-C, Girdhar Apartments 28, Firoze Shah Road New Delhi 110 001 Retired IAS officer	68	Independent Director	• Maharashtra State Power Generation Company Limited • GVK Power and Infrastructure Company Limited • Futura Polyster Limited • UFLEX Industries Limited • PTC Limited • Vijay Electricals Limited • Nagarjuna Construction Company Limited, • Lanco Infratech Limited • Himalayan Green Energy Private Limited • Green Infrastructure Private Limited

Name, Father's Name, Address and Occupation	Age	Status of Director in our Company	Other Directorships
Mr. Chandan Bhattacharya S/o Mr. Manmohan Bhattacharya Flat No 702, Surya Apartment, Bhulabhai Desai Road, Breach Candy, Mumbai 400 026 Retired Managing Director, State Bank of India	62	Independent Director	• Phoenix ARC Private Limited • Maghmani Organics Limited • JSW Energy (Ratnagiri) Limited • JSW Power Trading Company Limited • HNG Float Glass Limited • Jayant Oil & Derivatives Limited
Mr. Prashant R. Deshpande S/o Mr. R.V. Deshpande 16, Sonmarg, 67 – B, Napeansea Road Mumbai 400 006, Maharashtra Service	30	Independent Director	• JSW Energy (Vijayanagar) Limited • Raj WestPower Limited • Omtech Technology Private Limited • Dhruvdesh Holding & Realty Private Limited • Dhruvdesh Realty & Leisure Private Limited • Stale Tracom Private Limited • Raghudha Properties Private Limited • Tulajaa Bhavani Energy Projects Private Limited • TB Power Private Limited • AP Energy Private Limited

Brief Profile of the Directors

Mr. Sajjan Jindal: Mr. Sajjan Jindal is the non – executive Chairman of the Company. He holds Bachelor's degree in Mechanical Engineering from Bangalore University. He is also the Vice - Chairman and Managing Director of the JSW Steel Limited and is the Chairman of JSWHL and JSWILL. He is the Senior Vice President of ASSOCHAM and the President of INSDAG (Institute for Steel Development & Growth), a member of Board of Directors of Indian Institute of Management – Indore, National Shipping Board, TTD Development Advisory Council and the Bombay Chapter of the Young Presidents Organisation.

Mr. N.K. Jain: Mr. N.K. Jain is the non – executive Vice - Chairman of the Company. He holds a Bachelor's degree in commerce. He is a Fellow member of Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. Mr. Jain is also the trustee of the JSW Foundation (the CSR arm of the JSW Group). He has over 38 years of experience in the areas of mergers and acquisition, finance, legal, capital structuring. He has a keen interest in management development and human resource training.

Mr. S.S. Rao: Mr. S.S. Rao is the Joint Managing Director and the CEO of the Company. He holds a Bachelor's degree in Electrical Engineering and holds a masters degree in business administration. Mr. Rao has over 37 years of experience in establishing Greenfield thermal power projects, negotiating and implementing PPAs and fuel supply agreements, power pricing, tariff structures and mechanisms, environment friendly and safe methods in operating and maintenance of power plants. Prior to joining JSWEL, he worked with the Power Grid Corporation of India Limited, National Thermal Power Corporation, Mecon India Limited and Aditya Birla Group Limited.

Mr. Siby Antony: Mr. Siby Antony is a Nominee Director of the IDBI . He is a Post Graduate in Economics. He is a senior executive of IDBI in the rank of Executive Director of IDBI. He has handled diverse responsibilities in various capacities during three decades of his association with IDBI. He had worked as a General Manager in the Project Appraisal Department of IDBI and was involved in evaluating and monitoring large projects, in areas like oil and gas, chemicals and petrochemicals, textiles, steel and engineering, roads and ports. He was also associated with the Inter-Institutional Group, constituted by Government of India, for studying various issues connected with the flow of investment to infrastructure sector. He has worked as Chief General Manager in Corporate Debt Restructuring, Cell of IDBI and headed Stressed Assets Stabilisation Fund. He has been serving as honorary faculty at various institutes of learning, including Jawaharlal Nehru Institute for Development Banking, Bankers' Training College of the Reserve Bank of India, and at State Bank of India's Training Centres.

Mr. P. Suresh: Mr. P Suresh is a Nominee Director of the ICICI. He holds a Bachelor's degree in Engineering and holds a masters degree in management from Indian Institute of Management, Ahmedabad. He joined ICICI in 1994 and worked in the fields of corporate and project finance and was part of the specialized infrastructure team and has worked on a range of proposals across the infrastructure spectrum, like telecom, ports, roads, oil and gas, steel, aluminium, cement etc. He has extensive experience in a number of refinery projects and has been involved with the country's first onshore oil development project. He has over 13 years of experience and he currently heads the bank's telecom, oil and gas and manufacturing sector global project finance practice.

Mr. D.J. Balaji Rao: Mr. D.J. Balaji Rao is an Independent Director on the Board of the Company. He holds Bachelor's degree in Mechanical Engineering and holds a Post Graduate Diploma in Industrial Engineering. He has also attended the Advanced Management Program at European Institute of Business Administration at Fontainbleu, France. He has worked with ICICI for 25 years in the field of project evaluations and operations and has served as an Executive Director of ICICI and as the Vice – Chairman and Managing Director of SCICI Limited. He was the first Managing Director of Infrastructure Development Finance Company Limited.

Mr. P. Abraham: Mr. P. Abraham is an Independent Director on the Board of the Company. He holds a Masters degree in Arts and Diploma in System Management and is an Indian Administration officer. He worked in various capacities as the Secretary Municipal Administration, Housing and Urban Development, Government of Andhra Pradesh, Secretary to the Maharashta State Electricity Board, Secretary to the Energy Department of Government of Maharashtra, Chairman and Managing Director, Maharashtra State Textile Corporation, Joint Secretary, Industries Department, Government of Maharashtra, Iron & Steel Controller, Ministry of Steel, Government of India, Managing Director, Investment Corporation of Andhra Pradesh, Commissioner of Industries, Government of Andhra Pradesh, Secretary, Environmental & Energy Department Additional Secretary and Special Secretary, Ministry of Defence, Government of India, Secretary, Ministry of Power, Government of India.

Mr. Chandan Bhattacharya: Mr. Chandan Bhattacharya is an Independent Director on the Board of the Company. He holds a Bachelor degree in Arts Honours from Kolkata University and CAIIB. He is the former Managing Director of State Bank of India and has a wide range of experience of over 39 years in Banking, Trade and Commerce. He was a member of Managing Committee of Indian Banking Association, Executive Committee of FICCI, Banking & Finance Committee of ASSOCHAM and head of Inter - Institutional Group on financing of fast track Power Projects. He has also served on the Boards of Directors of SBI, California, SBI Capital Markets Limited, SBI Funds Management Private Limited, SBI Factors & Commercial Services Private Limited, INMB Bank Limited, Lagos, Nigeria, Discount & Finance House of India Limited, Mumbai and eight other associate banks of SBI. He has served as a Member, Securities Appellate Tribunal in the rank of Secretary to Government of India. Currently, he is a Senior Advisor of the Societe Generale Bank in India. He is also the group financial advisor to 2/3 leading industrial groups in Mumbai and Ahmedabad and is also a visiting Guest Lecturer at NIBM, Pune, IIM, Indore and MDI, Gurgaon and is a Co-Chairman of Finance and Banking of Indian Merchants Chamber, Mumbai.

Mr. Prashant R. Deshpande: Mr. Prashant R. Deshpande is an Independent Director on the Board of the Company. He holds a Bachelor's degree in law (Gold Medalist) from National Law School of India University and a Masters degree in law from Harvard Law School, USA respectively. He has worked as an Attorney in New York and has established Prashant Deshpande & Associates, a legal advisory firm and has practiced corporate law at White & Case, LLP, New York and at AZB & Partners, Mumbai.

Borrowing powers of the Board

Pursuant to an Extra-Ordinary General Meeting Resolution dated December 21, 2007 passed by the shareholders of the Company in accordance with the provisions of the Companies Act, 1956, the Board has been authorized to borrow any sum or sums of money from time to time for the purposes of the Company upon such terms and conditions and with or without security as the Board may think fit, provided that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loan obtained from the Company's bankers in the ordinary course of business) shall not at any time exceed 10 (ten) times the aggregate of the paid-up capital and free reserves of the Company over and above the paid up capital and free reserves of the Company.

Details of Appointment of the Directors

Name of Directors	Date of Resolution	Term
Mr. Sajjan Jindal	Board Resolution dated October 20, 2003	Director not liable to retire by rotation
Mr. N.K.Jain	Board Resolution dated December 14, 1999	Director liable to retire by rotation
Mr. S.S. Rao	Board Resolution dated April 12 2007	Director not liable to retire by rotation
Mr. Siby Antony	Board Resolution dated September 9, 2005	Director not liable to retire by rotation
Mr. P. Suresh	Board Resolution dated October 3, 2006	Director not liable to retire by rotation
Mr. D J Balaji Rao	Board Resolution dated September 9, 2005	Director liable to retire by rotation
Mr. P. Abraham	Board Resolution dated October 20, 2003	Director liable to retire by rotation
Mr. Chandan Bhattacharya	Board Resolution dated March 6, 2007	Director liable to retire by rotation
Mr. Prashant R. Deshpande	Board Resolution dated October 25, 2005	Director liable to retire by rotation

Details of Remuneration of the Directors

Mr. S.S. Rao was appointed as the Joint Managing Director and CEO - Projects of the Company with effect from April 12, 2007 and redesignated as the Joint Managing Director and CEO of the Company with effect from August 18, 2007 pursuant to an agreement dated November 1, 2007. Under the terms of the agreement, he has been appointed for a period of four years and the remuneration payable to Mr. S.S. Rao, as director during the tenure of his appointment would comprise salary, allowances and perquisites, with an aggregate monetary value limit of Rs. 13.50 million per annum.

The perquisites and allowances payable to Mr. S.S. Rao, according to the agreement, would include furnished and maintained accommodation, gas, electricity, water, furnishing, leave travel concession for himself and his family members, club fees, medical insurance, personal accident insurance, annual fees for professional bodies, and other allowances, benefits, etc., in accordance with the rules of the Company.

Mr. S.S. Rao is also entitled to participate in the employee stock option schemes of the Company, medical benefits for himself and his dependant family members, Company's contribution to provident fund and superannuation fund in accordance with the rules of the Company, half a month's salary for each completed year of service as gratuity, free use of cars with drivers for the business of the company and free telephone and other communication facility at residence and leave with full pay or encashment thereof. All these above mentioned benefits are subject to the Company's rules. Also, the remuneration payable to Mr. S.S. Rao is subject to an overall limit of 11% of the Net Profits of the Company and may be revised from time to time such that the aggregate of remuneration is within the limit as approved by the shareholders.

The Company pays its non-executive Directors sitting fees of Rs. 20,000 for every meeting of its Board, audit committee and remuneration committee as authorised by Board Resolution dated June 08, 2006 and Rs. 20,000 for every meeting of the shareholder/investor's grievance committee and other committees of the Board, as authorised by Board resolution dated December 19, 2007.

Except the whole time Directors who are entitled to statutory benefits upon termination of their employment in the Company, no other Director is entitled to any benefit upon termination of their employment with the Company.

Corporate Governance

Corporate Governance is administered through the Board and the committees of the Board. Additionally, the primary responsibility of upholding high standards of corporate governance and providing necessary disclosures within the framework of legal provisions and institutional conventions with commitment to enhance shareholders' value, vests with the Board.

Currently our board has nine Directors, of which the Chairman of the Board is a non- executive director, and in compliance with the requirements of Clause 49 of the Listing Agreement, we have one executive Director, three non-executive directors and five independent directors on our Board.

Also, in terms of the Listing Agreement, as may be required, Mr. Chandan Bhattacharya, an Independent Director of the Company has been appointed as Director in the Company subsidiaries, JSWERL and JSWPTC and Mr. Prashant R. Deshpande, an Independent Director of the Company has been appointed as Director in the Company Subsidiaries, JSWEVL and RWPL.

In connection with the listing of the Equity Shares, we will be required to enter into listing agreements with the Stock Exchanges. The Company is in compliance and undertakes to continue to be in compliance with the applicable provisions of the listing agreements pertaining to corporate governance, including appointment of independent Directors and constitution of the following committees of the Board:

Committees of the Board of Directors

Audit Committee:

Members:

Mr. Chandan Bhattacharya, Chairman
Mr. P. Abraham
Mr. D.J. Balaji Rao
Mr. N.K. Jain

Terms of Reference / Scope of the Audit Committee

General Functions and Powers

1. Overseeing the Company's financial reporting process and disclosure of its financial information.

2. Recommending to the Board the appointment, re-appointment, and replacement of the statutory auditor and the fixation of audit fee.

3. Approval of payments to the statutory auditors for any other services rendered by them.

4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

    i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956

    ii. Changes, if any, in accounting policies and practices and reasons for the same

    iii. Major accounting entries involving estimates based on the exercise of judgment by management

    iv. Significant adjustments made in the financial statements arising out of audit findings

    v. Compliance with listing and other legal requirements relating to financial statements

    vi. Disclosure of any related party transactions

    vii. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.

6. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems.

7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

8. Discussion with internal auditors any significant findings and follow up there on.

9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

12. Reviewing the functioning of the whistle blower mechanism, in case the same is existing.

13. Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor.

14. Monitoring the use of proceeds from public issues made by the Company.

15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Information for Review

1. Management discussion and analysis of financial condition and results of operations;

2. Statement of significant related party transactions;

3. Internal Audit reports relating to internal control weaknesses.

4. The appointment, removal and terms of remuneration of the Chief Internal Auditor

5. Review of the financial statements of the unlisted subsidiary Company(ies), in particular, the investments made by them, if any.

Shareholders /Investors' Grievance Committee:

Members:	Mr. N.K.Jain, Chairman Mr. S.S.Rao Mr. Prashant R. Despande

Role and functions of the Shareholder / Investor Grievance Committee

The Committee performs *inter alia* the role / functions as are set out in Clause 49 of the Listing Agreement with Stock Exchanges and includes:

1. Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interest, non- receipt of balance sheet etc.

2. Oversee the performance of Registrar and transfer agent.

3. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Remuneration Committee:

Members:	Mr. P. Abraham, Chairman Mr. N.K. Jain Mr. D. J. Balaji Rao

Role and functions of Remuneration Committee:

1. Framing suitable policies and systems to ensure that there is no violation, by an Employee or the Company of any applicable laws in India or overseas, including:

    a. The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or

    b. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.

2. Determine on behalf of the Board and the shareholders the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payments.

3. Perform such functions as are required to be performed by the Compensation Committee under Clause 5 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

4. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

In addition, the Board constitutes, from time to time, such other committees, as may be required, for efficient functioning and smooth operations of the Company.

IPO Committee

Members:	Mr. Sajjan Jindal, Chairman Mr. N. K. Jain Mr. S. S. Rao Mr. Prashant R. Deshpande

This Committee is responsible for dealing with all matters in relation to the initial public offering of the Company. This committee was set up by the Board of Directors at their meeting dated December 19, 2007.

Shareholding of Directors in our Company

The Articles of Association do not require our Directors to hold any qualification Shares. Out of our directors, only Mr. Sajjan Jindal holds 59,817,705 Equity Shares of the Company in his individual capacity.

Interests of Directors

The Directors may be interested in the Equity Shares that may be subscribed by or allotted to the Company's firms or trusts in which they are interested as directors, members, partners, trustees and promoters, pursuant to the Issue. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All the Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of reimbursement of expenses payable to them under the Articles of Association and to the extent of remuneration that is payable to them for services rendered as an officer or an employee of the Company.

The Company has agreed to acquire two properties from Tarini Properties Private Limited and Windsor Residency Private Limited respectively. For more details, see "Business - Properties" on page [●] of this Draft Red Herring Prospectus. Relatives of Mr. Sajjan Jindal are majority shareholders of both these companies whilst Mr. N.K. Jain is a director of both these companies.

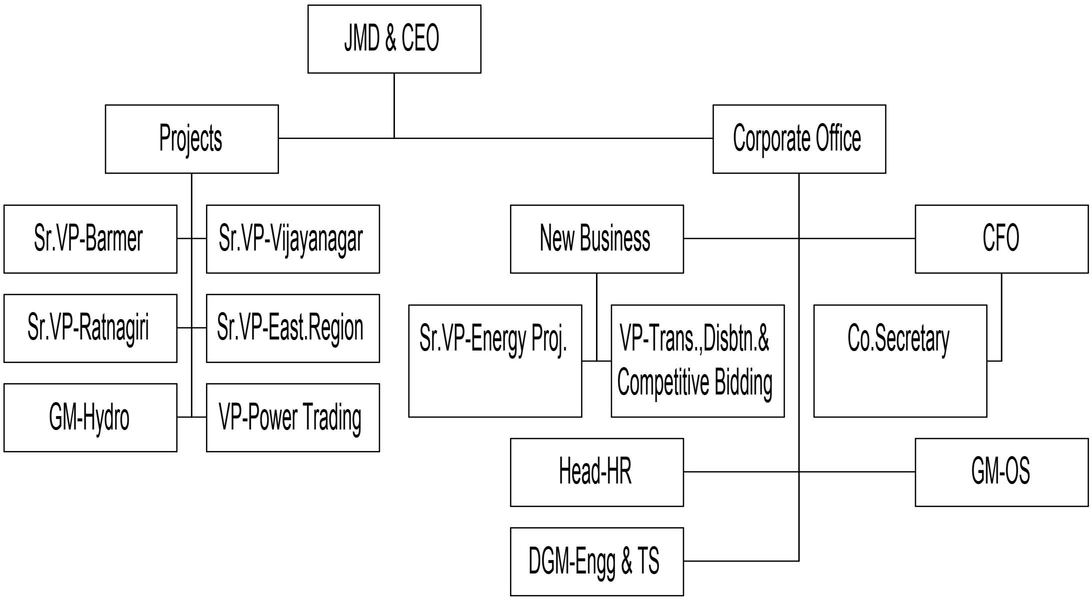
Except as stated in the section titled "Financial Statements - Related Party Transactions" beginning on page [●] of this Draft Red Herring Prospectus, the Directors do not have any other interest in the business of the Company.

Changes in the Board of Directors during the last three years

The following changes have occurred in Board of Directors of the Company in the last three years:

Name of Director	Date of Appointment / Re-appointment	Date of cessation	Reason
Mr. S.S. Rao	April 4, 2007	-	Appointment
Mr. Chandan Bhattacharya	March 6, 2007	-	Appointment
Mr. P. Suresh	October 3, 2006	-	Appointment (Nominee – ICICI)
Mr. Prashant R. Deshpande	October 25, 2005	-	Appointment
Mr. D.J. Balaji Rao	September 9, 2005	-	Appointment
Mr. Siby Antony	September 9, 2005	-	Appointment (Nominee – IDBI)
Mr. Raaj Kumar	January 18, 2005	August 30, 2007	Resignation
Mr. Krishna Deshika	February 21, 2004	April 16, 2007	Resignation
Mr. Balaji Swaminathan	September 13, 2004	December 21, 2005	Withdrawal of Nomination by ICICI
Mr. Raman Madhok	June 15, 1998	October 25, 2005	Resignation
Mr. Rajendra Mohan Malla	October 28, 2002	March 7, 2005	Withdrawal of Nomination by ICICI
Mr. R. Jayaraman Iyer	December 8, 2000	September 9, 2005	Withdrawal of Nomination by IDBI

Functional Organisational Chart



Key Management Personnel

In addition to our Executive Directors, the details regarding our Key Management Personnel are as follows:

Mr. S. S. Rao: For details see "Brief Profile of the Directors" on page [●] of the Draft Red Herring Prospectus.

Mr. Nagesh Pinge: Aged 49 years and Indian National, Mr Pinge is the President –Internal Audit of Company. He is also on the Board of Directors of JSW Steel Limited. Mr. Pinge is an Associate Member of the Institute of Chartered Accountants of India ("ICAI"), a Commerce graduate from Mumbai University and completed his Bachelor in Law from Mumbai University. He has 24 years of experience in Internal Audit, Risk Management etc. Mr. Pinge is on the Board of Governess of the Institute of Internal Auditors, USA and the 'Committee of Members in Industry' of ICAI. Before the joining the company he was with Reliance Retail Limited as President- Internal Audit & Compliance. He worked as Chief Risk Officer of the ICICI and has also worked with Anik Financial Services Limited, Deutsche Bank, Tata Industrial Finance Limited. Mr. Pinge has also authored a technical guidance book note published by the Institute of Chartered Accountants of India. He joined the Company during Fiscal 2008.

Mr. R.R. Pillai: Aged 56 years, and Indian national, Mr. Pillai is the Senior Vice – President of the Company. He holds a Masters in Engineering degree in mechanical discipline and is the plant head of the 2x130 MW JSWEL power plant and over sees the operation and maintenance of 1x100 and 1x130 MW power plants of JSWSL Power plant. He is the project head of the 2x300 MW ongoing power project at Torangallu. He has 30 years of experience in testing, commissioning, installation, operation and maintenance of power plants. Prior to joining JSWEL, he was with Bharat Heavy Electricals Limited for 23 years. The gross compensation paid to him during fiscal 2007 was Rs. 3.93 million. He joined the Company during Fiscal 2001.

Mr. Upinder Singh: Aged 45 years, and Indian national, Mr. Singh is the Senior Vice – President of the Company. He is an Electrical Engineer; and is in charge of 8X135 MW power project at Barmer, Rajasthan. He has 24 years of experience in establishing thermal power projects, switchyard, preparation of policy and guidelines for operation of grid, instrumental in erection and commissioning of 2X130 MW JSWEL plants. Prior to joining JSWEL, he worked in National Thermal Power Company Limited and Power Grid Corporation of India Limited. The gross compensation paid to him during fiscal 2007 was Rs. 4.19 million. He joined the Company during Fiscal 1996

Mr. K.J. Varkey: Aged 47 years, and Indian national, Mr. Varkey is the Senior Vice – President. He is a Mechanical Engineer; and is in charge of 4X300 MW Ratnagiri, power project at Maharashtra. He has 25 years of thermal power plant experience in Construction, commissioning, operation, testing, performance review and monitoring of power plants and commercial aspects. Prior to joining the JSWEL he worked with NTPC for 12 years and with Ansaldo Energia 2x320 MW Bisotoun TPP, Iran for 2 years. The gross compensation paid to him during fiscal 2007 was Rs. 3.56 million. He joined the Company during Fiscal 1997.

Mr. Vinod Dhanuka: Aged 55 years, and Indian national, Mr. Dhanuka is the Senior Vice – President of the Company. He is an engineering graduate from Birla Institute of Technology and Science, Pilani and has completed his Masters in Business Administration from FMS, Delhi University. He has over 33 years of techno-commercial experience in project planning and development, fuel management, construction, commercial, quality management, sales and marketing, business development of large utility power projects with premier corporates. Prior to joining JSWEL, he has worked with the Aditya Birla Group and Bharat Heavy Electricals Limited. He joined the Company during Fiscal 2008.

Mr. Samirendra Ghosh: Aged 56 years, and Indian national, Mr. Ghosh is the Senior Vice – President of the Company looking after new project development activities in the eastern part of the country. He is an electrical engineering graduate and a member of All India Management Association; and has 35 years of experience in various types of projects, involving different technologies. He has handled techno-commercial negotiations with leading power equipment manufacturers and was responsible for development and implementation of power projects in IPP sector including engineering and project management activates. Prior to joining the JSWEL, he has worked with Indo Gulf Fertilisers Limited, Andrew Yule & Company Limited, Indian Oil Corporation Limited and Crompton Greaves Limited. He joined the Company during Fiscal 2008.

Mr. Satish Jindal: Aged 48 years, and Indian national, Mr. Jindal is the Vice – President of the Company. He is an Electrical Engineering graduate; and is in charge of the power trading business. He has more than 23 years of experience in power trading business, conducting international competitive bidding, post award contract management, including project management, mobilisation, settlement of techno-commercial disputes, pre bidding and post bidding contract management for procurement of various capital goods for sub-stations, transmission line projects. Prior to joining JSWEL, he has worked with National Thermal Power Company Limited, Power Grid Corporation of India Limited and Power Trading Corporation of India. The gross compensation paid to him during fiscal 2007 was Rs. 1.86 million. He joined the Company in May 2006.

Mr. Navraj Singh: Aged 51 years, and Indian national, Mr. Singh is the Vice – President of the Company. He is an electrical engineering graduate from Indian Institute of Technology, Delhi; and has 27 years of experience in different facets of the power sector like, Corporate Strategy and Business Development, Market and Consumer Development, Customer Relations, Overseas Contracts and Project Development, Project Management and Execution of Power Projects. Prior to joining JSWEL, he has worked with Tata Power Company Limited. He joined the Company during Fiscal 2008.

Mr. Pramod Menon: Aged 36 years, and Indian national, Mr. Menon is the Associate Vice – President and Chief Financial Officer of JSWEL. He joined the JSW Group in 1994. He is an Associate member of Institute of Chartered Accountants of India and a graduate of the Institute of Cost Works Accountants of India. Mr. Menon has 13 years of experience in project finance, corporate finance, treasury management and investor relations. Prior to joining JSWEL, he has worked with JSW Steel Limited. He joined the Company during Fiscal 2008.

Mr. Sampath Madhavan: Aged 47 years, and Indian national, Mr. Madhavan is the Company Secretary and Compliance Officer. Mr. Madhavan is Bachelor of Commerce and Law and is a Graduate of Institute of Cost and Works Accountants of India and an Associate Member of Institute of Company Secretaries of India. He has over 20 years of experience in Legal, Secretarial, Compliances, Finance and Banking. Prior to joining the JSWEL, he has worked with Thirumalai Chemicals Limited, MIRC Electronics Limited, Acrow (I) Limited and Colgate Palmolive (India) Limited. He joined the Company during Fiscal 2008.

All our KMP as disclosed above are permanent employees of the Company and none of our Directors and our KMP are related to each other.

Shareholding of the Key Management Personnel

None of the KMP of the Company hold any Equity Shares in the Company.

Bonus or profit sharing plan of the Key Management Personnel

Our Company has a performance linked bonus and does not have a profit sharing plan for the Key Management Personnel.

Interests of Key Management Personnel

The KMP of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

None of our KMP have been paid any consideration of any nature from our Company, other than their remuneration.

Changes in the Key Management Personnel

The changes in the KMP in the last three years are as follows:

Name of the Key Management Person	Date	Reason for Change
Mr. Satish Jindal	May 1, 2006	Appointment
Mr. Pramod Menon	April 1, 2007	Appointment
Mr. S.S. Rao	April 12, 2007	Appointment
Mr. Krishna Deshika	April 16, 2007	Resignation
Mr. Samirendra Ghosh	July 6, 2007	Appointment
Mr. S. Madhavan	July 11, 2007	Appointment
Mr. Vinod Dhanuka	July 20, 2007	Appointment
Mr. Raaj Kumar	August 30, 2007	Resignation
Mr. Navraj Singh	November 15, 2007	Appointment
Mr. Nagesh Pinge	December 17, 2007	Appointment

Employees Share Purchase and Stock Option Scheme

The Company does not presently have any stock option scheme or stock purchase scheme for its employees.

Payment or Benefit to Officers of the Company

Except as stated otherwise in this Draft Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of the officers except the normal remuneration for services rendered as Directors, officers or employees, since the incorporation of the Company.

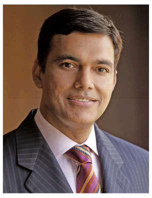
Except as stated in "Related Party Transactions" beginning on page [●] of this Draft Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Mr. Sajjan Jindal, Mr. PR Jindal, JSW Investments Private Limited and Sun Investments Private Limited are the Promoters of our Company.

1. Mr. Sajjan Jindal



Mr. Sajjan Jindal, age 48 years, is the Non – Executive Chairman of our Company. For further details, see “Our Management” on page [●] of this Draft Red Herring Prospectus.

Mr. Sajjan Jindal has applied for a voter identification, his driving licence number is 44304/W-Hissar and his passport number is G0600402.

2. Mr. P.R. Jindal

Mr. P.R. Jindal, age 56 years.

His voter identification number is HR/09/74/414061, his driving license number is DL No./8733/MTR/20 and his passport number is F2932412.

Mr. P.R. Jindal is the Vice Chairman of Jindal Saw Limited and has been involved with the production of SAW pipes for three decades. Under Mr. Jindal’s stewardship, this company has developed a mutli fold product line, offering total pipe solutions to a wide array of sectors - energy, water and sewage transportation and industrial application.

We confirm that the permanent account number, bank account number and passport number of Mr. Sajjan Jindal and P.R. Jindal shall be submitted to BSE and NSE, at the time of filing the Draft Red Herring Prospectus with them.

3. JSW Investments Private Limited

JSW Investments Private Limited was incorporated on March 31, 2005, as Samarth Holdings Private Limited under the Companies Act, 1956. The name was changed from Samarth Holdings Private Limited to JSW Investments Private Limited with effect from September 29, 2006. JSWIPL’s registered office is situated at Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400026. Mrs. Sangita Jindal is the sole promoter of this company.

Principal business of JSWIPL

This company is an investment company dealing in shares and securities.

Board of directors of JSWIPL as on December 31, 2007

Name	Position
Mrs. Sangita Jindal	Director
Mr. Balwant Ranka	Director
Mr. Sriram K.S.N.	Director

Shareholding pattern of JSWIPL as of December 31, 2007

	Name	No. of Shares held	Percentage
1.	Mrs. Sangita Jindal	2049900	100.00
2.	Mr. K. N. Patel	100	0.00

Financial performance of JSWIPL

(Rs. in million, except share data)

Particulars	Fiscal 2006 *	Fiscal 2007
Sales & Other Income	0.75	1164.99
PAT	0.55	1109.86
Equity Capital	20.50	20.50
Reserves	0.55	1110.41
Miscellaneous Expenditure to the extent not written off	0.20	Nil
EPS(Rs.)	0.27	541.40
Book Value per share (Rs.)	10.17	551.66

* Since this company was incorporated on March 31, 2005, no financials are available for Fiscal 2005.

Other information

JSWIPL is an unlisted company. JSWIPL is neither a sick company within the meaning of SICA nor is it under winding up.

We confirm that the permanent account number, bank account number, company registration number and the address of the RoC where JSWIPL is registered shall be submitted to BSE and NSE at the time of filing the Draft Red Herring Prospectus with them.

4. ***Sun Investments Private Limited***

Sun Investments Private Limited was incorporated on June 2, 1981, under the Companies Act, 1956. The name of the Company was changed from Sun Investments Private Limited to Sun Investments Limited consequent to its conversion into a public limited company with effect from October 15, 1990. Subsequently, the name of SIPL was changed from Sun Investments Limited to Sun Investments Private Limited consequent to its conversion into a private limited company with effect from February 18, 2003. SIPL's registered office is situated at Jindal Centre, 12 Bhikaji Cama Place, New Delhi 110 066. The Registered Office of SIPL was shifted from the state of New Delhi to the state of Maharashtra with effect from December 4, 2003 and was shifted again from the state of Maharashtra to the state of New Delhi with effect from January 31, 2006. JSWHL is the sole promoter of this company.

Principal Business of SIPL

This company is engaged in the activity of investing in shares and securities.

Board of Directors of SIPL as of December 31, 2007

Name	Position
Mrs. Sangita Jindal	Managing Director
Mr. V.P. Garg	Director
Mr. Deepak Bhat	Director
Mr. Ashok Goel	Director

Shareholding pattern of SIPL as of December 31, 2007

Name	No. of Shares held	Percentage
Jindal South West Holdings Limited	32,456,800	43.37
Jargo Investments Limited	11,119,300	14.86
Jindal Coated Steel Limited	5,513,700	7.37
Mendeza Holding Limited	4,760,100	6.36
Sarmento Holdings Limited	4,207,800	5.62
Nacho Investments Limited	3,711,900	4.96
Estrela Investment Company Limited	3,052,300	4.08
Pentel Holdings Limited	2,989,400	3.99
Beaufield Holdings Limited	2,347,200	3.14

Name	No. of Shares held	Percentage
Heston Securities Limited	2,033,600	2.72
Templar Investments Limited	2,033,000	2.72
Vavasa Investments Limited	239,900	0.32
Mr. Naveen K. Jindal	62,620	0.08
Mr. Abhuday Jindal	51,000	0.07
Ms. Sminu Jindal	46,100	0.06
Vrindavan Services Private Limited	39,300	0.05
Mr. P .R. Jindal	33,320	0.04
Ms. Tanvi Jindal	23,500	0.03
Mrs. Savitri Devi Jindal	18,620	0.02
Nalwa Sons Investments Limited	17,000	0.02
Mr. Ratan K .Jindal	15,920	0.02
Mrs. Sangita Jindal	13,400	0.02
Ms. Urvi Jindal	10,000	0.01
Ms. Tripti Jindal	8,800	0.01
Ms. Tarini Jindal	6,000	0.01
Mrs. Deepika Jindal	6,000	0.01
Colorado Trading Company Limited	5,000	0.01
Mr. Sajjan Jindal	2,620	0.00
Prithvi Raj Jindal HUF	1,500	0.00
S. K. Jindal & Sons HUF	1,500	0.00
R. K. Jindal & Sons HUF	1,500	0.00
Naveen Jindal & Sons HUF	1,500	0.00
Mr. Puran Chand Sharma	100	0.00
TOTAL	**74,830,300**	**100.00**

Financial performance of SIPL

(Rs. in million, except share data)

Particulars	Fiscal 2005	Fiscal 2006	Fiscal 2007
Sales & Other Income	299.84	469.87	912.68
PAT	164.42	5.02	771.69
Equity Capital	714.93	714.93	748.30
Reserves	1429.39	1434.41	2573.24
Miscellaneous Expenditure to the extent not written off	1.06	0.80	Nil
EPS(Rs.)	2.30	0.07	10.63
Book Value per share (Rs.)	29.98	30.05	44.39

Other information

SIPL is an unlisted company. It is neither a sick company within the meaning of SICA nor is it under winding up.

We confirm that the permanent account number, bank account number, company registration number and the address of the RoC where SIPL is registered shall be submitted to BSE and NSE at the time of filing the Draft Red Herring Prospectus with them.

Interests of Promoters and Common Pursuits

Our Promoters are interested in our Company to the extent that they have promoted our Company, their shareholding in our Company and to the extent of their being directors in our Company.

JSWSL, JSPL and SISCOL own and operate captive power plants. In addition, JSPL sells such power to respective the electricity boards generated from its captive power plants to the extent such power is not utilized by it. Further, JSLL and JSL are in the process of setting up captive power plants which are yet to be commissioned. To that extent, these promoter companies may have a conflict of interest.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Also see "Our Management – Interest of our Directors" on page [●] of this Draft Red Herring Prospectus.

Confirmations

Except as set out in the section titled "Outstanding Litigation and Material Developments" on page [●] of this Draft Red Herring Prospectus, none of our Promoters has been declared a wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoters in the past or are pending against them.

Payment of benefits to our Promoters

Except as stated in the section "Financial Statements - Related Party Transactions" on page [●] of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters during the two years prior to the filing of this Draft Red Herring Prospectus.

Promoter Group

In addition to the Promoters named above, there are a number of companies that form part of the group which constitutes our Promoter Group. In accordance with the requirements of the SEBI Guidelines, as there are five listed companies in the Promoter Group, information provided has been limited to these 5 listed companies.

Relatives of Promoters

The natural persons who are part of our Promoter group are as follows:

(a) Relatives of Sajjan Jindal

Name	Relationship
Mrs. Savitri Devi Jindal	Mother
Mrs. Sangita Jindal	Wife
Ms. Tanvi Jindal	Daughter
Ms. Tarani Jindal	Daughter
Mr. Parth Jindal	Son
Mr. P.R. Jindal	Brother
Mr. Ratan Jindal	Brother
Mr. Navin Jindal	Brother
Mrs. Saroj Bhartia	Sister
Mrs. Nirmala Goel	Sister
Mrs. Urmila Bhuwalka	Sister
Mrs. Sarika Jhunjhunwala	Sister
Mrs. Seema Jajodia	Sister
Mr. K.K. Kanoria	Wife's father
Mrs. Urmila Kanoria	Wife's mother
Mr. Saket Kanoria	Wife's brother

(b) Relatives of PR Jindal

Name	Relationship
Mrs. Savitri Devi Jindal	Mother
Mrs. Arti Jindal	Wife
Ms. Sminu Jindal	Daughter
Ms. Shraddha Jindal	Daughter
Ms. Tripti Jindal	Daughter
Mr. Sajjan Jindal	Brother
Mr. Ratan Jindal	Brother
Mr. Navin Jindal	Brother
Mrs. Saroj Bhartia	Sister
Mrs. Nirmala Goel	Sister
Mrs. Urmila Bhuwalka	Sister
Mrs. Sarika Jhunjhunwala	Sister
Mrs. Seema Jajodia	Sister
Mrs. Satnan Kaur	Wife's mother
Mr. Kamaljit Singh	Wife's brother
Ms. Manju Malik	Wife's sister
Ms. Charjit Kathoria	Wife's sister
Ms. Mahendra Paul	Wife's sister

Top five listed Companies forming part of the Promoter Group as per market capitalisation as of December 31, 2007

Jindal Steel & Power Limited
JSW Steel Limited
Jindal Saw Limited
Jindal Stainless Limited
Jindal South West Holdings Limited

The details of the five listed companies in the Promoter Group are as under:

1. ***Jindal Steel & Power Limited***

Jindal Steel & Power Limited was incorporated on September 28, 1979 as Orbit Strips Private Limited. On May 21, 1998, the name of the company was changed to Orbit Strips Limited. Subsequently, on June 12, 1998 the name of the company was changed to Jindal Steel & Power Limited. The registered office of JSPL is situated at A1 O. P. Jindal Marg, Hisar, Haryana 125 005.

Principal business of JSPL

JSPL is manufacturer of sponge iron, steel products and generation of power.

Board of directors of JSPL as of December 31, 2007

Name	Position
Mrs. Savitri Jindal	Chairperson
Mr. Ratan Jindal	Director
Mr. Naveen Jindal	Executive Vice Chairman and Managing Director
Mr. Vikrant Gujral	Vice Chairman and CEO

Name	Position
Mr. Anand Goel	Deputy Managing Director
Mr. Ashok Alladi	Independent Director (Additional)
Mr. S. Ananthakrishnan	Nominee Director – IDBI
Mr. A. K. Purwar	Independent Director
Mr. R. V. Shahi	Independent Director (Additional)
Ms. Ramni Nirula	Nominee Director – ICICI
Mr. Sushil Maroo	Whole-time Director
Mr. P. S. Rana	Whole-time Director

Shareholding pattern of JSPL as of December 31, 2007

Category		No. of Shares held	Percentage
A.	**Shareholding of Promoter and Promoter Group**		
1.	Promoters		
	Indian Promoters	15,704,923	51.00
	Foreign Promoters (OCB / NRI)	2,420,500	7.86
	Total Promoter and Promoter Group	**18,125,423**	**58.86**
B.	**Public Shareholding**		
1.	Institutions	8,431,344	27.38
2.	Non-Institutions		
	Bodies Corporate	769,843	2.50
	Individuals	3,051,504	9.91
	Others	414,154	1.34
	Total Public Shareholding	**12,666,845**	**41.14**
	Total	**30,792,268**	**100**

Financial performance of JSPL (Standalone)

(Rs. in million except share data)

Particulars	Fiscal 2005	Fiscal 2006	Fiscal 2007
Sales & Other Income	22,710.30	26,177.60	35,487.80
PAT	5,157.00	5,729.40	7,029.90
Equity Capital	154.00	154.00	154.00
Reserves	13,029.84	18,232.60	24,620.10
Miscellaneous Expenditure to the extent not written off	10.12	7.40	32.40
EPS(Rs.) i) Basic	167.48	186.07	228.30
ii) Diluted	167.48	184.41	225.20
Book Value per share (Rs.)	428.00	597.00	803.83

Financial performance of JSPL (Consolidated)*

(Rs. in million except share data)

Particulars	Fiscal 2006	Fiscal 2007
Sales & Other Income	26,182.40	35,488.00
PAT	5,732.50	6,990.50
Equity Capital	154.00	154.00
Reserves	18,824.00	25,243.30

Particulars	Fiscal 2006	Fiscal 2007
Miscellaneous Expenditure to the extent not written off	7.40	32.40
EPS(Rs.) i) Basic	189.31	229.26
ii) Diluted	187.62	226.15
Book Value(Rs.)	597.00	803.83

* JSPL did not have any subsidiary as at March 31, 2005. Hence, no consolidated figures are given for Fiscal 2005.

Details of listing and highest and lowest market price during the preceding six months

Equity shares of JSPL are listed on BSE and NSE.

Monthly high and low of closing prices of the equity shares of JSPL at BSE and NSE:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
July 2007	4,194.65	3,489.80	4,198.45	3,486.40
August 2007	4,075.45	3,599.50	4,076.10	3,575.75
September 2007	5,658.00	3,914.80	5,654.25	3,914.20
October 2007	11,884.40	5,191.75	11,876.45	5,179.50
November 2007	14,121.45	10,021.90	14,107.50	10,009.65
December 2007	16,226.75	13,487.00	16,271.15	13,456.25

(Source: BSE and NSE websites)

The closing share price of JSPL on BSE was Rs. 15,359.25 as of December 31, 2007.

The closing share price of JSPL on NSE was Rs. 15,395.40 as of December 31, 2007.

The market capitalisation of JSPL on BSE was Rs. 472,946.14 million as of December 31, 2007.

The market capitalisation of JSPL on NSE was Rs. 474,059.28 million as of December 31, 2007.

Promise v/s Performance

JSPL was listed pursuant to a scheme of merger and amalgamation. This company has not made any public issue or rights issue.

Mechanism for redressal of investor grievance

All share related matters namely transfer, transmission, transposition, nomination, dividend, change of name, address and signature, registration of mandate and power of attorney, replacement, split, consolidation, demat and remat of shares, issue of duplicate certificates etc. are handled by JSPL's Registrars and Transfer Agents, M/s. Alankit Assignment Limited ("AAL").

Investors correspond directly with AAL, on all share related matters. JSPL has an established mechanism for investor service and grievance handling, with AAL and the Compliance Officer appointed by JSPL for this purpose being the important functional nodes.

The Board of Directors of JSPL has constituted a Shareholder/Investor Grievance Committee which, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with securities transfers and other processes.

As of December 31, 2007, there was one investor complaint pending against JSPL.

JSPL is neither a sick company within the meaning of SICA nor is it under winding up.

2. *JSW Steel Limited*

JSW Steel Limited was incorporated on March 15, 1994 as Jindal Vijayanagar Steel Limited. The name of the company was subsequently changed to JSW Steel Limited on June 16, 2005. The registered office of JSWSL is situated at Jindal Mansion, 5A Dr G Deshmukh Marg, Mumbai 400026. The registered office of JSWSL was shifted from the State of Karnataka to the State of Maharashtra with effect from April 29, 2005.

Principal business of JSWSL

JSW Steel Limited is one of the largest integrated steel companies in India. Having established production facilities at close proximity to the mineral resources as well as to the market for its products, JSWSL's cost of production is among the lowest in the country. The product portfolio of the Company includes pellets, slabs, HR coils, CR coils, GP/GC sheets and colour coated products.

Board of directors of JSWSL as of December 31, 2007

Name	Position
Mrs. Savitri Devi Jindal	Chairperson
Mr. Sajjan Jindal	Vice Chairman and Managing Director
Mr. Y Siva Sagar Rao	Joint Managing Director and CEO
Mr. Seshagiri Rao M.V.S	Director- Finance
Dr. S.K Gupta	Director
Mr. Anthony Paul Pedder	Director
Mr. Uday Chitale	Director
Mr. Sudipto Sarkar	Director
Mr. Vinod Nowal	Director
Ms. Zarin Daruwala	Nominee Director –ICICI
Mrs. Shobha Nambisan	Nominee Director – KSIIDC
Mr. Jambunathan	Nominee Director – UTI Asset Management Company Private Limited
Mr. Biswadip Gupta	Director
Mr. Nagesh Pinge	Additional Director

Shareholding pattern of JSWSL as of December 31, 2007

	Category	No. of Shares held	Percentage
A.	**Shareholding of Promoter and Promoter Group**		
	Promoters:		
	Indian Promoters	70,494,931	42.99
	Foreign Promoters	5,704,612	3.48
	Total Promoter and Promoter Group	**76,199,543**	**46.47**
B.	**Public Shareholding**		
1.	Institutions	57,878,248	35.80
2.	Non-Institutions		
	Bodies Corporate	5,724,671	3.49
	Individuals	15,540,368	9.48
	Others	8,635,983	5.26
	Total Public Shareholding	**87,779,270**	**53.53**
	Total	**163,978,813**	**100.00**

Financial performance of JSWSL (Standalone)

(Rs. in million except share data)

Particulars	Fiscal 2005	Fiscal 2006	Fiscal 2007
Sales & Other Income	66,983.40	65,984.90	86,995.90
PAT	8,701.10	8,565.30	12,920.00
Equity Capital	1,290.40	1,569.80	1,639.80
Reserves	26,805.90	38,591.60	50,682.50
Miscellaneous Expenditure to the extent not written off	3,506.20	3,040.40	1,948.70
EPS(Rs.) i) Basic	64.98	55.57	80.11
ii) Diluted	59.66	55.57	78.88
Book Value(Rs.)	195.30	240.37	312.24

Financial performance of JSWSL (Consolidated)*

(Rs. in million except share data)

Particulars	Fiscal 2007
Sales & Other Income	86,995.90
PAT	12,918.90
Equity Capital	1,639.80
Reserves	51,330.20
Miscellaneous Expenditure to the extent not written off	1,950.10
EPS(Rs.) i) Basic	80.86
ii) Diluted	79.62
Book Value(Rs.)	316.19

* JSWSL did not have any subsidiary during fiscals 2005 and 2006. Hence, no financials are given for the said period.

Details of listing and highest and lowest market price during the preceding six months

Equity shares of JSWSL are listed on BSE and NSE.

Monthly high and low closing prices of the equity shares of JSWSL at BSE and NSE:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
July 2007	748.10	604.85	746.00	604.85
August 2007	699.10	519.00	698.90	518.95
September 2007	851.05	657.90	852.95	659.95
October 2007	1,016.45	804.20	1,015.85	804.05
November 2007	1,009.05	865.10	1,010.05	865.65
December 2007	1,337.10	1,058.00	1,336.00	1,059.85

(Source: BSE and NSE websites)

The closing share price of JSWSL on BSE was Rs. 1,318.45 as of December 31, 2007.

The closing share price of JSWSL on NSE was Rs. 1,319.50 as of December 31, 2007.

The market capitalisation of JSWSL on BSE was Rs. 216,197.87 million as of December 31, 2007.

The market capitalisation of JSWSL on NSE was Rs. 216,370.04 million as of December 31, 2007.

Promise v/s Performance

The company had come out with two simultaneous public issues in 1995 of (i) 135,000,000 equity shares of Rs. 10 each for cash at par aggregating Rs. 1350 million and (ii) 272,500,000 14% secured redeemable partly convertible debentures of Rs. 40 each for cash at par aggregating Rs. 10900 million. The issues opened for subscription on February 10, 1995. The money raised were to be used to set up an integrated steel plant of 1.25 mtpa of HR coils. A comparison of promises versus performance is given below:

(Rs. in million except share data)

Particulars	Year ending March 31							
	1997 (Six months)		1998		1999		2000	
	Projections	Actuals	Projections	Actuals	Projections	Actuals	Projections	Actuals
Sales and other income	6210.00	0.80	15,480.00	1,809.30	17,400.00	5,379.20	19,440.00	9,312.30
PBIDT	1,830.00	(3.00)	8,010.00	342.00	1,0930.00	788.70	12,200.00	1,297.80
Interest	320.00	3.70	1,510.00	476.80	3,170.00	844.30	3,200.00	1,976.70
Depreciation	170.00	1.80	1,260.00	213.00	1,620.00	234.80	1,620.00	802.90
PBT	1,340.00	(8.40)	5,240.00	(347.70)	6,140.00	(290.40)	7,380.00	(1,481.80)
PAT	1,340.00	(8.40)	5,300.00	(347.70)	6,230.00	(290.40)	7,250.00	(1,481.80)

The project cost to set up the integrated steel plant in June 1994 was estimated to be Rs. 33000 million including margin money for working capital, but the actual project cost up to March 31, 2004 was Rs. 62260 million.

During the initial project implementation, modifications were effected to the basic design of the main plant and additional facilities like pellet plant, etc. were added to enhance the overall capacity of the integrated steel plant to 1.57 mtpa. The commissioning of the plants was delayed due to technological issues. Corex 1 was recommissioned after a lapse of one year by carrying out rectifications/modifications. Delay in disbursal of loans and non-receipt of call money caused a further delay in project implementation. Capitalisation of pre-operative expenses incurred during prolonged trail run, increase in interest during construction and foreign exchange variation also resulted in a cost overrun of the project. Also, when the company started operation of the integrated steel plant after recommissioning of Corex, the steel industry as a whole witnessed historically low level of selling prices on account of a global down turn.

Mechanism for redressal of investor grievance

All share related matters namely transfer, transmission, transposition, nomination, dividend, change of name, address and signature, registration of mandate and power of attorney, replacement, split, consolidation, demat and remat of shares, issue of duplicate certificates etc. are handled by JSWSL's Registrars and Transfer Agents, Karvy Computershare Private Limited ("Karvy").

Investors correspond directly with Karvy, on all share related matters. JSWSL has an established mechanism for investor service and grievance handling, with Karvy and the Compliance Officer appointed by JSWSL for this purpose being the important functional nodes.

The Board of Directors of JSWSL has constituted a Shareholder/Investor Grievance Committee which, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with securities transfers and other processes.

As of December 31, 2007, there were 28 investor complaints pending against JSWSL.

JSWSL is neither a sick company within the meaning of SICA nor is it under winding up.

A scheme of amalgamation between JSWSL and SISCOL has been filed before the Bombay High Court.

3. *Jindal Saw Limited*

Jindal Saw Limited was incorporated on October 31, 1984 as Saw Pipes Limited. On January 11, 2005, the name of the company was changed to Jindal Saw Limited. The registered office of JSL is situated at A1 UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, District Mathura, 281403, Uttar Pradesh.

Principal business of JSL

JSL was incorporated to carry on the business of manufacture and sale of large diameter saw pipes, seamless tubes and pipes and ductile iron pipes.

Board of directors of JSL as of December 31, 2007

Name	Position
Mrs. Savitri Devi Jindal	Chairperson
Mr. P.R.Jindal	Vice-Chairman
Mr. Indresh Batra	Managing Director
Ms. Sminu Jindal	Managing Director
Mr. A.J.A.Tauro	Director
Mr. Devi Dayal	Director
Dr. S.K.Gupta	Director
Mr. Kuldip Bhargava	Director
Mr. H.S.Chaudhary	Whole-Time Director
Dr. Raj Kamal Agarwal	Director

Shareholding pattern of JSL as of December 31, 2007

	Category	No. of Shares held	Percentage
A.	**Shareholding of Promoter and Promoter Group**		
1.	Promoters:		
	Indian Promoters	19109000	37.36
	Foreign Promoters	3,702,100	7.24
	Total Promoter Shareholding	**22,811,100**	**44.60**
B.	**Public Shareholding**		
1.	Institutions	14,976,160	29.28
2.	Non-Institutions		
	Bodies Corporate	9,621,835	18.81
	Individuals	3,322,953	6.50
	Others	410,495	0.80
	Total Public Shareholding	**28,331,443**	**55.40**
	Total	51,142,543	**100**

Financial performance of JSL (Standalone)

(Rs. in million except share data)

Particulars	Fiscal 2004	Fiscal 2005	Fiscal 2006*
Sales & Other Income	10,880.65	23,280.60	38,871.37
PAT	562.42	1,007.33	1,762.01
Equity Capital	389.80	471.15	483.65
Reserves	3,608.83	7,003.50	8,718.03
Revaluation Reserves	253.21	211.23	169.47

Particulars	Fiscal 2004	Fiscal 2005	Fiscal 2006*
EPS(Rs.) i) Basic	14.43	25.62	34.67
ii) Diluted	14.43	20.78	33.20
Book Value(Rs.)	9.60	15.42	18.67

* The financial year for JSL is October – September. An approval was granted by Registrar of Companies dated September 28, 2007 to extend the present financial year to December 31, 2007.

Financial performance of JSL (Consolidated)

(Rs. in million except share data)

Particulars	Fiscal 2004	Fiscal 2005	Fiscal 2006*
Sales & Other Income	10,929.89	23,318.22	39,012.69
PAT	568.02	994.27	1,650.86
Equity Capital	389.70	471.15	483.65
Reserves	3,034.56	6,451.12	8,031.14
Revaluation Reserves	253.21	211.23	169.47
EPS(Rs.) i) Basic	14.57	25.28	32.37
ii) Diluted	14.57	20.51	31.00
Book Value (Rs.)	8.14	14.24	17.25

* The financial year for JSL is October – September. An approval was granted by Registrar of Companies dated September 28, 2007 to extend the present financial year to December 31, 2007.

Details of listing and highest and lowest market price during the preceding six months

Equity shares of JSL are listed on BSE and NSE.

Monthly high and low closing prices of the equity shares of JSL at BSE and NSE:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
July 2007	708.65	658.50	705.30	658.35
August 2007	691.55	570.10	692.60	570.95
September 2007	673.85	600.00	677.85	601.45
October 2007	787.20	568.70	786.05	568.55
November 2007	908.75	745.65	914.05	729.90
December 2007	1079.10	897.55	1076.20	897.35

(Source: BSE and NSE websites)

The closing share price of JSL on BSE was Rs. 1,079.10 as of December 31, 2007.

The closing share price of JSL on NSE was Rs. 1,076.20 as of December 31, 2007.

The market capitalisation of JSL on BSE was Rs. 55,187.92 million as of December 31, 2007.

The market capitalisation of JSL on NSE was Rs. 55,039.60 million as of December 31, 2007.

Promise v/s Performance

In 1986, the company came out with the public issue of 1,992,000 equity shares of Rs. 10 each for cash at par aggregating Rs. 19.92 million, to set up a project for the manufacture of high pressure, thick walled large diameter Saw Pipes. This issue opened for subscription on July 7, 1986. The project was completed on March 31, 1987 and commercial production was started.

No projections were made in the offer document. The money raised from the public issue was used for the objects as set out in the offer document.

Mechanism for redressal of investor grievance

All share related matters namely transfer, transmission, transposition, nomination, dividend, change of name, address and signature, registration of mandate and power of attorney, replacement, split, consolidation, demat and remat of shares, issue of duplicate certificates etc. are handled by JSL's Registrars and Transfer Agents, RCMC Share Registry (P) Limited ("RCMC").

Investors correspond directly with RCMC, on all share related matters. JSL has an established mechanism for investor service and grievance handling, with RCMC and the Compliance Officer appointed by JSL for this purpose being the important functional nodes.

The Board of Directors of JSL has constituted a Shareholder/Investor Grievance Committee which, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with securities transfers and other processes.

As of December 31, 2007, there are no investor complaints pending against JSL.

JSL is neither a sick company within the meaning of SICA nor is it under winding up.

4. ***Jindal Stainless Limited***

Jindal Stainless Limited was incorporated on September 29, 1980 as Jindal Ceramics Limited. The name of the company was changed to Jindal Int.com Limited on January 29, 2001. Later, the name of this company was changed to Jindal Stainless Limited on January 28, 2003. Pursuant to a scheme of arrangement and demerger among Jindal Strips Limited and Jindal Stainless Limited, with effect from April 1, 2002 the stainless steel undertaking from Jindal Strips Limited with all the property, asset, rights, powers and liabilities in respect to stainless steel undertaking stood transferred to and vested in Jindal Stainless Limited. The registered office of JSLL is situated at Jindal Stainless Limited, O.P. Jindal Marg, Hisar, Haryana 125 005.

Principal business of JSLL

JSLL is the stainless steel manufacturer with integrated melting Hot Rolling and Cold Rolling facilities. This company manufacturers and sells a broad range of stainless steel flat products including slabs, blooms, flat bars, hot rolled and cold rolled coils, plates and sheets.

Board of directors of JSLL as of December 31, 2007

Name	Position
Savitri Jindal	Chairperson
Ratan Jindal	Vice Chairman and Managing .Director
Naveen Jindal	Director
T.R. Sridharan	Director
R.G. Garg	Managing Director and COO
L.K. Singhal	Director
Suman Jyoti Khaitan	Director
N.P. Jayaswal	Executive Director
N.C. Mathur	Director
Rajinder Parkash	Executive Director
B.D. Gupta	Director

Shareholding pattern of JSLL as of December 31, 2007

	Category	No. of Shares held	Percentage
A.	**Shareholding of Promoter and Promoter Group**		
1.	Promoters		
	Indian Promoters	43,815,272	29.72
	Foreign Promoters (OCB / NRI)	15,953,663	10.82
	Total Promoter and Promoter Group	**59,768,935**	**40.54**
B.	**Public Shareholding**		
1.	Institutions	39,475,185	26.77
2.	Non-Institutions		
	Bodies Corporate	11,438,805	7.76
	Individuals	19,147,673	12.99
	Others- shares held by custodians and against which GDS have been issued	17,604,334	11.94
	Total Public Shareholding	87,665,997	59.46
	Total	**147,434,932**	**100**

Financial performance of JSLL (Standalone)

(Rs. in million except share data)

Particulars	Fiscal 2005	Fiscal 2006	Fiscal 2007
Sales & Other Income	32,007.19	32,026.00	48964.37
PAT	2,458.48	1,597.26	3,530.06
Equity Capital	219.82	261.10	276.44
Reserves	7,707.93	9,831.00	13,741.28
Miscellaneous Expenditure to the extent not written off	16.08	20.38	23.06
EPS(Rs.): Basic	23.96	14.26	26.76
Diluted	18.59	11.02	23.35
Book Value per share (Rs.)	71.98	77.15	102.51

Financial performance of JSLL (Consolidated)

(Rs. in million except share data)

Particulars	Fiscal 2005	Fiscal 2006	Fiscal 2007
Sales & Other Income	31,591.17	32,681.78	49,964.50
PAT	2,319.76	1,621.50	3,379.33
Equity Capital	219.82	261.10	276.44
Reserves	7,540.05	9,674.86	13,551.72
Miscellaneous Expenditure to the extent not written off	17.20	21.34	25.13
EPS(Rs.): Basic	22.61	14.45	25.56
Diluted	17.55	11.16	22.30
Book Value per share (Rs.)	70.45	76.17	101.35

Details of listing and highest and lowest market price during the preceding six months

Equity shares of JSLL are listed on BSE and NSE.

Monthly high and low closing prices of the equity shares of JSLL at BSE and NSE:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
July 2007	173.75	143.55	175.00	143.55
August 2007	164.50	140.45	164.35	140.20
September 2007	169.60	155.80	169.70	155.95
October 2007	182.05	154.75	182.15	155.05

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
November 2007	224.00	158.55	223.65	159.05
December 2007	238.30	222.40	238.60	222.45

(Source: BSE and NSE websites)

The closing share price of JSLL on BSE was Rs. 234.20 as of December 31, 2007.

The closing share price of JSLL on NSE was Rs. 234.35 as of December 31, 2007.

The market capitalisation of JSLL on BSE was Rs. 34,529.26 million as of December 31, 2007.

The market capitalisation of JSLL on NSE was Rs. 34,551.38 million as of December 31, 2007.

Promise v/s Performance

JSLL was listed pursuant to a scheme of merger and amalgamation. This company has not made any public issue or rights issue.

Mechanism for redressal of investor grievance

All share related matters namely transfer, transmission, transposition, nomination, dividend, change of name, address and signature, registration of mandate and power of attorney, replacement, split, consolidation, demat and remat of shares, issue of duplicate certificates etc. are handled by JSLL's Registrars and Transfer Agents, Abhipra Capital Limited ("ACL").

Investors correspond directly with ACL, on all share related matters. JSLL has an established mechanism for investor service and grievance handling, with ACL and the Compliance Officer appointed by JSLL for this purpose being the important functional nodes.

The Board of Directors of JSLL has constituted a Shareholder/Investor Grievance Committee which, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with securities transfers and other processes.

As of December 31, 2007, there were no investor complaints pending against JSLL.

JSLL is neither a sick company within the meaning of SICA nor is it under winding up.

5. ***Jindal South West Holdings Limited***

Jindal South West Holdings Limited was incorporated on July 12, 2001, under the Companies Act, 1956. The registered office of JSWHL is situated at Jindal Centre, 12 Bhikaji Cama Place, New Delhi - 110 066. The registered office of the Company was shifted from the state of Maharashtra to the National Capital Territory of New Delhi with effect from January 31, 2006.

Pursuant to a scheme of arrangement and amalgamation, under the provisions of Sections 391-394 of the Companies Act between the erstwhile Jindal Iron and Steel Company Limited ("JISCO") and JSWHL and JSWSL sanctioned by the High Court of Bombay and the High Court of Karnataka vide their Orders dated September 3, 2004 and January 20, 2005 respectively, the investment division of JISCO was demerged and transferred to JSWHL with effect from April 1, 2003.

Principal business of JSWHL

JSWHL is a Non-Banking Financial Company holding a valid certificate of Registration (No. 14.03121 dated June 11, 2007) under section 45 I-A of the Reserve Bank of India Act, 1934 and is mainly engaged in the investment activities.

Board of directors of JSWHL as of December 31, 2007

Name	Position
Mr. Sajjan Jindal	Chairman
Mr. Nirmal Kumar Jain	Director
Dr. Saibal Kanti Gupta	Director
Mr. Atul Desai	Director
Mr. K. N. Patel	Joint Managing Director and CEO

Shareholding pattern of JSWHL as of December 31, 2007

	Category	No. of Shares held	Percentage
A.	**Shareholding of Promoter and Promoter Group**		
1.	Promoters		
	Indian Promoters	4,778,236	43.05
	Foreign Promoters (OCB / NRI)	1,426,150	12.85
	Total Promoter and Promoter Group	**6,204,386**	**55.90**
B.	**Public Shareholding**		
1.	Institutions	2,576,816	23.22
2.	Non-Institutions		
	Bodies Corporate	591,863	5.33
	Individuals	1,656,099	14.92
	Others	70,461	0.63
	Total Public Shareholding	**4,895,239**	**44.10**
	Total	**11,099,625**	**100**

Financial performance of JSWHL

(Rs. in million except share data)

Particulars	Fiscal 2005	Fiscal 2006	Fiscal 2007
Dividend, Interest & Other Income	56.07	121.18	392.06
PAT	52.95	60.92	393.74
Equity Capital	110.99	110.99	110.99
Reserves	5,212.10	5,273.03	5,666.77
Miscellaneous Expenditure to the extent not written off	1.37	1.76	Nil
EPS(Rs.)	4.77	5.49	35.47
Book Value per share (Rs.)	479.45	484.91	520.54

JSWHL did not have any subsidiary as at March 31, 2007. Hence, no consolidated figures are given.

Details of listing and highest and lowest market price during the preceding six months

Equity shares of JSWHL are listed on BSE, DSE and NSE.

Monthly high and low closing prices of the equity shares of JSWHL at BSE and NSE:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
July 2007	456.70	389.95	456.75	390.00
August 2007	431.00	320.35	437.00	325.60
September 2007	419.05	376.05	419.70	373.55
October 2007	716.70	413.10	717.70	415.35
November 2007	894.55	729.10	893.35	730.55
December 2007	2,479.35	1,041.10	2,456.55	1,041.50

(Source: BSE and NSE websites)

The closing share price of JSWHL on BSE was Rs. 2,479.35 as of December 31, 2007.

The closing share price of JSWHL on NSE was Rs. 2,456.55 as of December 31, 2007.

The market capitalisation of JSWHL on BSE was Rs. 27,519.86 million as of December 31, 2007.

The market capitalisation of JSWHL on NSE was Rs. 27,266.78 million as of December 31, 2007.

Promise v/s Performance

JSWHL was listed pursuant to a scheme of merger and amalgamation. This company has not made any public issue or rights issue.

Mechanism for redressal of investor grievance

All share related matters namely transfer, transmission, transposition, nomination, dividend, change of name, address and signature, registration of mandate and power of attorney, replacement, split, consolidation, demat and remat of shares, issue of duplicate certificates etc. are handled by JSWHL's Registrars and Transfer Agents, M/s. Sharepro Services (India) Private Limited ("SSIPL").

Investors correspond directly with SSIPL, on all share related matters. JSWHL has an established mechanism for investor service and grievance handling, with SSIPL and the Compliance Officer appointed by JSWHL for this purpose being the important functional nodes.

The Board of Directors of JSWHL has constituted a Shareholder/Investor Grievance Committee which, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with securities transfers and other processes.

As of December 31, 2007, there were no investor complaints pending against JSWHL.

JSWHL is neither a sick company within the meaning of SICA nor is it under winding up.

Disassociation by our Promoters in the last three years

There has been no disassociation by our Promoters in the last three years.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, see "Financial Statements – Related Party Transactions" beginning on page [●] of the Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payments of dividends will be recommended by our Board of Directors and approved by our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. Our Company has no stated dividend policy.

For details of the dividend paid by the Company, see "Financial Statements – Auditor's Report" beginning on page [●] of the Draft Red Herring Prospectus

SECTION V: FINANCIAL STATEMENTS

AUDITORS REPORT

Restated Financial Statements of JSW Energy Limited for the year ended March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003 and the Half Year ended September 30, 2007 and September 30, 2006.

To,
The Board of Directors
JSW Energy Limited
Jindal Mansion
5-A, G. Deshmukh Marg
Mumbai – 400 026.

Dear Sirs,

JSW Energy Limited (Formerly Jindal Thermal Power Company Limited) ("the Company") proposed to make a public offering of its equity shares for cash. We have been requested by the Company to report on attached financial information, stamped and initialled by us for identification and prepared in accordance with the requirements of Part II of Schedule II of the Companies Act, 1956 (the "Act"), the Securities and Exchange Board of India ("SEBI") - Disclosure and Investor Protection Guidelines, 2000 as amended ("the guidelines") issued by SEBI on January 19, 2000 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992, and related clarifications. The Financial information, Statement of Direct Tax Benefits and Summary of Significant Differences between Indian GAAP, IFRS and U.S. GAAP have been prepared by the Company and approved by the Board of Directors of the Company.

1. Financial Information

1.1 We have examined the attached:

a) Standalone Restated Statement of Assets and Liabilities of the Company as at March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003, September 30, 2007 and September 30, 2006 (Annexure I-A); Standalone Restated Statement of Profits and Losses for the years ended March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003 and the half years ended September 30, 2007 and September 30, 2006 (Annexure II-A) and Standalone Restated Cash flow Statement for the years ended March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003 and the half years ended September 30, 2007 and September 30, 2006 (Annexure III-A), together referred to as 'standalone statements'.

b) Consolidated Restated Statement of Assets and Liabilities of the Company as at March 31, 2007, March 31, 2006, September 30, 2007 and September 30, 2006 (Annexure I-B) and Consolidated Restated Statement of Profits and Losses for the years ended March 31, 2007, March 31, 2006 and the half year ended September 30, 2007 and September 30, 2006 (Annexure II-B) and Consolidated Restated Cash flow Statement for the years ended March 31, 2007, March 31, 2006 and the half years ended September 30, 2007 and September 30, 2006 (Annexure III-B), together referred to as 'consolidated statements'.

1.2 We have considered the relevant financial statements in respect of subsidiaries of the Company namely JSW Power Trading Company Ltd. (JSWPTCL) audited by I. Qureshi & Associates, Chartered Accountants; JSW Energy (Ratnagiri) Limited (JSWERL), JSW Energy Investments Private Limited (JSWIPL), JSW PowerTransco Limited (JSWPTL) audited by Shah Gupta & Co., Chartered Accountants; Raj WestPower Limited (RWPL) audited by S.D.Pandey & Co., Chartered Accountants till the year ended 31st March, 2007 and audited by Shah Gupta & Co., Chartered Accountants for the half year ended 30th September, 2007 and consolidated accounts of RWPL for the year ended 31st March, 2007 and half year ended 30th September, 2007 audited by Shah Gupta & Co., Chartered Accountants; JSW Energy Ltd. and JSW Energy (Vijayanagar) Ltd. (JSWEVL) audited by us; and PT Param Utama Jaya, Indonesia audited by Kap Hertanto, Sidik, Hadisoeryo dan Rekan, Registered Public Accountants; unaudited financial statements of the Joint venture Barmer Lignite Mining Company Limited, which have been approved by the Board of Directors of the respective subsidiary companies/Joint venture entity. The accounts of these subsidiaries and the joint venture entity have been consolidated from the date from which the Company acquired ownership interest.

1.3 Based on our examination of the above statements and the related Audit Reports and on the basis of the information and explanations given to us, we report that:

a) The aforesaid statements have been extracted from the audited/unaudited financial statements as stated in 1.2 above as approved by their respective Directors / management and have been restated with retrospective effect to reflect the significant accounting policies and significant notes adopted by the Company as at September 30, 2007, as stated vide Annexure IV-A and IV-B to this report;

b) Material amounts relating to adjustments for previous years have been identified and adjusted in arriving at the profits of the year to which they relate;

c) There are no qualifications in the auditors' reports, which require any adjustment;

d) The aforesaid statements have been restated to effect necessary changes for exceptional items, which have been disclosed separately in the statements in the years to which they relate.

2. Other Financial Information:

We have also examined the following financial information relating to the Company proposed to be included in the Offer Document, as approved by the Board of Directors and annexed to this report:

Sr. No.	Particulars	Annexures	
		Standalone	Consolidated
i.	Statement of Significant Accounting Policies and selected notes to statements.	IV – A	IV – B
ii.	Details of Contingent Liabilities	IV – A Note No. 3(c)	IV – B Note No. 5(c)
iii.	Details of transactions with Promoters/Promoter group/group Companies and Key Managerial Personnel	IV – A Note No. 3(j)	IV – B Note No. 5(k)
iv.	Details of Sundry Debtors	V – A	V – B
v.	Details of Loans & Advances Given	VI – A	VI – B
vi.	Details of Investments	VII – A	VII – B
vii.	Accounting ratios based on the profits relating to earnings per share, net asset value and return on net worth	VIII - A	VIII – B
viii.	Capitalisation Statement of the Company	IX – A	IX – B
ix.	Statement of changes in Share Capital	X – A	X - B
x.	Details of items of other income which exceed 20 percent of net profit before tax	XI – A	XI – B
xi.	Details of rate of Dividend declared	XII – A	XII – B
xii.	Statement of Tax Shelters	XIII – A	XIII – B
xiii.	Statement of Tax Benefits	XIV	
xiv.	Statement of Secured Loans	XV	
xv.	Summary of Significant Differences between Indian GAAP, IFRS and U.S. GAAP.	XVI	

3. In our opinion, the financial information of the Company and other information, as attached to this report and mentioned in paragraph 1.1, 1.2 and 2 above, read with respective significant accounting policies have been prepared in accordance with Part II of Schedule II of the Act and the Guidelines issued by the SEBI. Our work has not been carried out in accordance with auditing standards generally accepted in United States of America or outside of India and accordingly should not be relied on as if it had been carried out in accordance with those standards.

4. This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Initial Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Lodha & Co.
Chartered Accountants

R. P. Baradiya
Partner
Membership No: 44101

Place: Mumbai
Date: January 14, 2008

JSW ENERGY LIMITED

ANNEXURE I-A
STANDALONE RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. Million)

	Particulars	As at September 30,		As at March 31,				
		2007	2006	2007	2006	2005	2004	2003
A.	**Fixed Assets**							
	Gross Block (at cost)	10,823.59	10,875.10	10,816.17	10,728.95	10,695.84	10,659.67	11,206.85
	Less: Depreciation	4,440.23	3,862.90	4,148.70	3,567.03	2,989.93	2,414.00	1,825.67
	Net Block	**6,383.36**	**7,012.20**	**6,667.47**	**7,161.92**	**7,705.91**	**8,245.67**	**9,381.18**
	Capital Work in Progress (including capital advance)	1,688.35	14.30	2.14	97.01	2.60	8.51	4.08
	Total	**8,071.71**	**7,026.50**	**6,669.61**	**7,258.93**	**7,708.51**	**8,254.18**	**9,385.26**
B.	**Investments**	**7,664.74**	**3,504.78**	**7,405.05**	**3,476.34**	**3,485.17**	**1,119.04**	**1,089.04**
C.	**Current Assets, Loans and Advances**							
	Inventories	253.90	214.30	231.20	214.50	204.10	194.61	181.85
	Sundry Debtors	612.83	4,806.03	3,893.20	4,675.03	4,656.25	3,895.04	2,940.31
	Cash & Bank balances	1,868.00	1,457.30	1,059.90	440.60	26.26	157.62	12.99
	Loans and advances	1,620.89	707.30	490.57	249.15	447.62	236.12	162.42
	Total	**4,355.62**	**7,184.93**	**5,674.87**	**5,579.28**	**5,334.23**	**4,483.39**	**3,297.57**
	Total Assets (A+B+C)	**20,092.07**	**17,716.21**	**19,749.53**	**16,314.55**	**16,527.91**	**13,856.61**	**13,771.87**
D.	**Liabilities & Provisions**							
	Loan Funds							
	Secured Loans	7,305.90	3,841.20	5,149.60	4,383.10	6,122.97	5,421.39	6,504.01
	Unsecured Loans	-	1,000.00	1,020.00	-	-	-	-
	Deferred Tax Liability	618.98	506.80	559.15	442.93	329.89	239.85	156.58
	Current Liabilities & Provisions							
	Liabilities	1,978.69	512.87	1,182.22	369.24	308.66	135.35	1,294.68
	Provisions	316.53	576.77	503.94	1,399.84	555.29	480.12	332.59
	Total	**10,220.10**	**6,437.64**	**8,414.91**	**6,595.11**	**7,316.81**	**6,276.71**	**8,287.86**

	Particulars	As at September 30,		As at March 31,				
		2007	2006	2007	2006	2005	2004	2003
E.	**Net worth [(A+B+C) – D]**	**9,871.97**	**11,278.57**	**11,334.62**	**9,719.44**	**9,211.10**	**7,579.90**	**5,484.01**
	Represented by:							
	Share Capital	3,468.00	3,468.00	3,468.00	2,890.00	2,890.00	2,890.00	2,890.00
	Reserves & Surplus	6,403.97	7,810.57	7,866.62	6,829.44	6,321.10	4,689.90	2,594.01
	Total	**9,871.97**	**11,278.57**	**11,334.62**	**9,719.44**	**9,211.10**	**7,579.90**	**5,484.01**

JSW ENERGY LIMITED

ANNEXURE II-A
STANDALONE RESTATED STATEMENT OF PROFITS & LOSSES

(Rs. Million)

Particulars	**For the Half Year Ended September 30,**		**For the Year Ended March 31,**				
	2007	**2006**	**2007**	**2006**	**2005**	**2004**	**2003**
Income							
Income from Operations: -							
Sale of Power Generated	4,128.77	3,029.80	7,303.55	5,307.97	4,908.40	5,578.38	5,501.78
Sale of Certified Emission Reductions (CER's)	3,275.63	-	-	-	-	-	-
Operator Fees	82.20	41.60	130.69	110.32	-	-	-
Project Management Fees	168.50	-	360.00	-	-	-	-
Total Income from Operations	**7,655.10**	**3,071.40**	**7,794.24**	**5,418.29**	**,908.40**	**5,578.38**	**5,501.78**
Other income	132.49	124.30	328.25	70.53	28.27	1.96	3.50
Total Income	**7,787.59**	**3,195.70**	**8,122.49**	**5,488.82**	**4,936.67**	**5,580.34**	**5,505.28**
Expenditure							
Cost of Fuel	1,419.12	1,226.00	2,647.72	2,558.07	2,405.88	2,428.29	2,502.49
Employees Cost	70.40	37.20	99.99	61.65	42.37	46.89	40.64
Operation, Maintenance & Other Expenses	443.15	277.30	483.77	382.04	320.60	320.95	330.57
Operating Expenses	**1932.67**	**1540.50**	**3231.48**	**3001.76**	**2768.85**	**2796.13**	**2873.70**
Profit Before Interest, Depreciation, Tax and Amortisation (PBIDTA)	**5,854.92**	**1655.20**	**4891.01**	**2487.06**	**2167.82**	**2784.21**	**2631.58**
Interest and Finance Charges	377.30	203.30	628.89	497.39	599.30	829.77	918.52
Depreciation	291.96	296.10	582.87	579.61	576.75	588.59	606.99
Amortisation of Preliminary & Share issue Expenses	-	-	-	-	-	56.94	56.94
Profit Before Tax and Exceptional item	**5,185.66**	**1,155.80**	**3,679.25**	**1,410.06**	**991.77**	**1,308.91**	**1049.13**
Exceptional Item (Refer Note No. 3 (d) in Annexure IV-A)						810.36	(810.36)
Profit Before Tax	**5,185.66**	**1,155.80**	**3,679.25**	**1,410.06**	**991.77**	**2,119.27**	**238.77**
Provision for:							
Current Tax (including Fringe Benefit Tax)	603.38	110.70	370.70	109.18	59.36	163.68	24.15
Deferred Tax	59.83	63.80	116.22	113.04	329.89	-	-
Profit After Tax (A)	**4,522.45**	**981.30**	**3,192.33**	**1,187.84**	**602.52**	**1,955.59**	**214.62**
Adjustments: - (Refer							

Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,				
	2007	2006	2007	2006	2005	2004	2003
Note No.3 (a) in Annexure IV-A)							
Tariff difference on Sale of Power	-	-	-	-	-	(810.36)	810.36
Sale of Certified Emission Reductions (CER's)	(3275.63)	-	-	162.75	910.82	895.33	784.49
Project Management Expenses	59.80	-	(59.80)	-	-	-	-
Project Management Fees	140.90	-	(140.90)	-	-	-	-
Preliminary and Share Issue Expenses written off / Interest & Finance Charges / Deferred Tax Liability	-	-	-	-	239.85	102.34	(99.24)
Total Adjustments	**(3074.93)**	**-**	**(200.70)**	**162.75**	**1,150.67**	**187.31**	**1495.61**
Less: Tax Impact of adjustments	(348.39)	-	(22.74)	18.44	122.01	47.01	144.88
Total Adjustments after tax impact (B)	**(2,726.54)**	**-**	**(177.96)**	**144.31**	**1028.66**	**140.30**	**1350.73**
Net Profit, as restated (A+B)	**1,795.91**	**981.30**	**3,014.37**	**1,332.15**	**1,631.18**	**2,095.89**	**1,565.35**
Adjusted Earnings Per Share (Basic & Diluted) (Rs.)	3.49	2.28	6.38	3.11	3.80	4.89	3.65
	(Not annualised)						

JSW ENERGY LIMITED

ANNEXURE III-A

STANDALONE RESTATED CASH FLOW STATEMENT

(Rs. Million)

Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,				
	2007	**2006**	**2007**	**2006**	**2005**	**2004**	**2003**
A. **Cash Flow from Operating Activities**							
Net Profit before tax as restated	**2,110.73**	**1,155.80**	**3,478.55**	**1,572.81**	**1,902.59**	**2,389.85**	**1,814.38**
Adjustment for:							
Depreciation	291.96	296.10	582.90	579.60	576.75	588.59	606.99
Interest Income	(80.10)	(14.10)	(45.80)	(5.60)	(1.13)	(0.86)	(1.62)
Dividend Income	-	(110.00)	(281.80)	(64.20)	(25.64)	-	-
Amortisation of preliminary and share issue expenses	-	-	-	-	-	(128.67)	56.94
Loss on Sale of Fixed Assets	0.80	(0.10)	0.30	0.40	1.05	0.37	0.24
Loss on Sale of Long Term Investments	-	-	-	33.80	-	-	-
Interest & finance charges	377.30	203.30	628.89	497.39	599.3	829.77	918.52
Foreign Exchange Gain	(51.80)	-					
	538.16	**375.20**	**884.49**	**1041.39**	**1150.33**	**1289.20**	**1,581.07**
Operating profit before working capital changes	**2,648.89**	**1,531.00**	**4,363.04**	**2,614.20**	**3,052.92**	**3,679.05**	**3,395.45**
Adjustments for:							
Changes in Trade and other Receivables	3,280.30	(131.00)	581.80	(18.75)	(562.90)	(949.73)	(1,470.68)
Changes in Trade and other Payables	799.45	235.60	773.10	56.85	55.27	(693.32)	363.01
Changes in Inventories	(22.70)	0.20	(16.70)	(10.40)	(9.49)	(12.75)	(8.58)
Loans & Advances	199.80	(75.32)	(234.25)	183.21	(190.83)	(72.20)	(44.07)
Cash from operations	**6,905.74**	**1,560.48**	**5,466.99**	**2,825.11**	**2,344.97**	**1,951.05**	**2,235.13**
Income Taxes paid	(403.30)	(62.30)	(377.00)	(103.60)	(165.29)	(107.93)	(43.79)
Net cash from operating activities	**6,502.44**	**1,498.18**	**5,089.99**	**2,721.51**	**2,179.68**	**1,843.12**	**2,191.34**
B **Cash Flow from Investing Activities**							
Purchase of Fixed Assets including Intangible Assets, CWIP & Preop. Exp.	(1,695.30)	(63.50)	(7.60)	(101.00)	(35.24)	(69.45)	(12.72)
Interest Income	80.10	14.10	45.80	5.60	1.13	0.86	1.62
Dividend Income	-	110.00	281.80	64.21	25.64	-	-
Investments in Subsidiaries (including advances)	(4,868.00)	(411.27)	(3,929.45)	(25.00)	(2,366.65)	(31.50)	(0.01)
Sale of Fixed Assets	0.40	0.80	0.80	0.71	0.20	0.43	0.19
Net cash from/ (used	**(6,482.80)**	**(349.87)**	**(3,608.65)**	**(55.48)**	**(2,374.92)**	**(99.66)**	**(10.92)**

Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,				
	2007	2006	2007	2006	2005	2004	2003
in) investing activities							
C. **Cash Flows from Financing Activities**							
Proceeds from further equity issued	-	578.00	578.00	-	-	-	-
Proceeds from/(Repayments of) Borrowings (Net)	1,156.30	458.10	1,799.50	(1,770.10)	586.06	(971.23)	(1,068.51)
Interest & finance charges paid	(367.84)	(343.91)	(638.54)	(491.59)	(522.18)	(622.60)	(1,109.84)
Dividend Paid	-	(823.80)	(2,801.00)	-	-	-	-
Net cash from/(used in) financing activities	**788.46**	**(131.61)**	**(1,062.04)**	**(2,261.69)**	**63.88**	**(1,593.83)**	**(2,178.35)**
Net (Decrease) / Increase in cash and cash equivalents	**808.10**	**1,016.70**	**419.30**	**404.34**	**(131.36)**	**149.63**	**2.07**
Cash and cash equivalents at beginning of year/period	849.90	430.60	430.60	26.26	157.62	7.99	5.92
Cash and cash equivalents at end of year/period	1,658.00	1,447.30	849.90	430.60	26.26	157.62	7.99

Notes:
1. Cash and cash equivalents exclude balance in margin money.
2. Being a non cash transaction, Demerger of Investment Division does not have any impact on above statement [Refer note no.3(b) of attached Annexure IV- A].

ANNEXURE IV-A

JSW ENERGY LIMITED

Significant Accounting Policies and Selected Notes to Standalone Statements of Profits & Losses and Assets & Liabilities, as restated:

1. Overview of the Company

Company was incorporated as 'Jindal Tractebel Power Company Limited' under the Companies Act, 1956 on March 10, 1994. The name of Company was changed to 'Jindal Thermal Power Company Limited' on January 17, 2002. Subsequently, the name of Company was changed to 'JSW Energy Limited' on December 5, 2005.

The Company commenced its commercial operations on January 18, 2000 and is primarily engaged in generation and sale of power.

2. Significant Accounting Policies

(a) General

The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern and as per applicable accounting standards. The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis except those with significant uncertainties.

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognised prospectively.

(b) Revenue Recognition

Revenue is recognised based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

i. Revenue from sale of power is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.

ii. Revenue from construction / project related activity:

Revenue from construction contract are recognised by reference to the overall estimated profitability of the contract under the percentage of completion method. Foreseeable losses in any contract is provided irrespective of the stage of completion of the contract activity. The stage of completion of the contract is determined considering the nature of the contract, technical evaluation of work completed / measurement of physical progress and proportion of the cost incurred to the estimated total cost.

Contracts cost comprise all cost that relate directly to the specified contract, incidental cost attributable to the contract including applicable overheads.

iii. Operator fees and other income is accounted on accrual basis as and when the right to receive arises.

(c) Fixed Assets

Fixed assets are recorded at cost which include all direct and indirect expenses upto the date of acquisition, installation and / or commencement of commercial generation of power.

(d) Depreciation

Depreciation is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Depreciation on impaired assets related to a cash generating unit is provided by adjusting the depreciation charge in the remaining periods so as to allocate the revised carrying amount of the asset over its remaining useful life.

(e) Impairment of assets

In accordance with AS-28 on 'Impairment of assets' issued by the Institute of Chartered Accountants of India, where there is an indication of impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized in the profit and loss account whenever the carrying amount of such assets exceed its recoverable amount.

(f) Borrowing Costs

(i) Borrowing Costs (including exchange difference) directly attributable to the acquisition and construction of a qualifying asset are capitalised as part of cost of such asset upto the date when such asset is ready for its intended use.
(ii) Other borrowing costs are charged to revenue.

(g) Investments

Long term Investments are stated at cost. In case, there is a decline other than temporary in the value of any Investments, a provision for the same is made.

(h) Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on the basis of weighted average. Obsolete, defective and unserviceable stocks are duly provided for wherever applicable.

(i) Foreign Exchange Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Foreign currency designated assets, liabilities and capital commitments are stated at the year end rates.

Exchange difference other than referred to in (f) above are charged to the revenue.

(j) Retirement and other employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation.

Actuarial gains/ losses are immediately taken to profit and loss account and are not deferred.

(k) Taxation

Income tax expenses comprise current tax and fringe benefit tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain as the case may be to be realised.

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and the same is reviewed at each balance sheet date.

(l) Provisions and Contingent Liabilities

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

a) the Company has a present obligation as a result of a past event.
b) a probable outflow of resources is expected to settle the obligation and
c) the amount of the obligation can be reliably estimated

Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognised to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of

a) a present obligation arising from a past event, when it is not probable that a outflow of resources will be required to settle the obligation.
b) a possible obligation, unless the probability of outflow of resources is remote.

3. Selected Notes to Accounts

(a) Adjustments to Restated Statement of Profits & Losses and Assets & Liabilities:

i. Tariff difference on sale of power, recognised in F.Y. 2003-04 of Rs. 810.36 million was relating to earlier period and hence adjusted in restated statement of Profits & Losses (Refer Note no. 3 (d) below).

ii. a) Revenue recognised on sale of Certified Emission Reductions (CER's) during the half year ended September 30, 2007 has now been restated to the respective years to which they relate.

b) Sundry Debtors include amount receivable in respect of CER's on account of restatement:

(Rs. Million)

As at September 30,	As at March 31,					
2007	2006	2007	2006	2005	2004	2003
Nil	3275.63	3275.63	3275.63	3112.88	2202.06	1306.7

iii. Expenditure and income related to Project Management activity has now been restated in line with the accounting policy followed in the half year ended September 30. 2007.

iv. Miscellaneous expenditure and Interest & Finance charges written off in F.Y. 2003-04 and Deferred Tax Liability provided in F.Y. 2004-05 have now been restated and charged to/provided in the respective years to which they relate.

v. Current Tax Impact of above mentioned adjustments on restatement has been provided at the appropriate tax rate applicable.

(b) The Scheme of Arrangement between the Company and JSW Energy Investments Private Limited (JSWEIPL) and the respective shareholders for demerger of investment division of the Company with appointed date as 1st April, 2007 was approved by the Honorable High Court of Judicature of Bombay vide Order dated 1st November, 2007. Accordingly, as per the scheme (a) assets of Rs. 3,278.21 million and liabilities of Rs. 20.00 million have been transferred to JSWEIPL at their book values and (b) Rs. 3,258.21 million being the excess of book value of assets transferred have been adjusted to the surplus in Profit & Loss Account.

(c) Contingent Liabilities not provided for in respect of:

(Rs. Million)

Particulars	**As at September 30,**		**As at March 31,**
	2007	**2006**	**2007**
Bank Guarantees Outstanding	1000.00*	Nil	1000.00*
Security & Collateral provided	10.00	10.00	10.00
Income Tax matter (excluding interest, if any)	107.02	107.02	107.02

* Refer Note No. 3 (d) below.

(d) The Company was supplying power to Karnataka Power Transmission Corporation Limited (KPTCL) on the basis of the rate approved by Govt of Karnataka, which was incorporated in the Power Purchase Agreement (PPA), dated 27th November, 2000. On the application by KPTCL to Karnataka Electricity Regulatory Commission (KERC) for approval of PPA, KERC had passed Order in July 2002 reducing the tariff retrospectively from 1st August 2000. The Company's appeal against the said Order was decided by the Karnataka High Court vide its Order dated 8th April, 2004 in favour of the Company. Pursuant to the decisions of KERC / Hon'ble High Court of Karnataka, the consequential revenue differential of Rs. 810.36 million for the period August 2000 to March 2003 was derecognised / recognised and shown as an exceptional item in the Profit and Loss account for the year ended on March 31, 2003 and March 31, 2004 respectively. KPTCL and KERC filed Special Leave Petition before the Honourable Supreme Court challenging the Order of Karnataka High Court. In terms of the interim order dated 23rd January 2007 of Supreme Court, KPTCL paid Rs.1000 million against bank guarantee provided by the Company. The balance amount of Rs.53.50 million due from KPTCL is included in Sundry Debtors and considered as good and recoverable.

(e) **Capital Work-in-progress include:**

(Rs. Million)

Particulars	**As at September 30,**		**As at March 31,**				
	2007	**2006**	**2007**	**2006**	**2005**	**2004**	**2003**
Capital Advances (Unsecured, Considered Good)	**1651.27**	**0.90**	**1.04**	**0.21**	**0.40**	**0.68**	**3.22**
Building under Construction	**3.35**	**Nil**	**0.89**	**Nil**	**Nil**	**Nil**	**Nil**
Plant & Machinery under Erection	**27.09**	**Nil**	**0.21**	**91.60**	**2.20**	**7.83**	**0.86**
Pre-operative expenses pending allocation:							
Rates & Taxes	**0.38**	**4.50**	**Nil**	**4.20**	**Nil**	**Nil**	**Nil**
Legal & Professional Expenses	**6.26**	**8.90**	**Nil**	**1.00**	**Nil**	**Nil**	**Nil**
Total…	1,688.35	14.30	2.14	97.01	2.60	8.51	4.08

(f) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)

(Rs. Million)

Particulars	As at September 30,		As at March 31,				
	2007	2006	2007	2006	2005	2004	2003
Estimated amount of contracts (net of advances)	**690.31**	**4.10**	**5.20**	**3.90**	**13.71**	**11.73**	**46.62**

(g) The foreign currency exposures that have not been hedged by a derivative instrument or otherwise as at Balance Sheet date are given below:

Particulars	As at September 30, 2007		As at March 31, 2007	
	USD Million	Rs. Million	USD Million	Rs. Million
Secured Loan	17.49	700.48	22.44	982.30

(h) As the Company is primarily engaged in only one segment viz. "Generation and sale of power", there are no reportable segments as per Accounting Standard 17.

(i) Deferred Tax Liability consists of timing differences due to depreciation.

(j) Related Party Transactions

A LIST OF RELATED PARTIES

i Subsidiaries (Control exists)

1	JSW Power Trading Company Limited	From July 8, 2005
2	Raj West Power Limited	From February 10, 2006
3	JSW Energy (Vijayanagar) Limited	From May 5, 2006
4	JSW Energy (Ratnagiri) Limited	From June 30, 2006
5	JSW Energy Investments Private Limited	From February 19, 2007 to March 31, 2007
6	PT. Param Utama Jaya, Indonesia	From January 18, 2007
7	JSW Power Transco Limited	From July 3, 2007

ii Associates / Parties with whom the Company has entered into transactions:

1	JSW Steel Limited
2	JSW Power Limited
3	Sun Investment Private Limited
4	JSW Energy Overseas Limited, Dubai
5	JSW Energy Investments Private Limited (From April 1, 2007)

iii Key Managerial Personnel

1	Mr. S.S.Rao - Jt. Managing Director & CEO
2	Mr. Raaj Kumar - Jt. Managing Director & CEO (upto August 31, 2007)
3	Mr. K.T.Krishna Deshika - Director – Finance (upto April 16, 2007)

B RELATED PARTY TRANSACTIONS

(Rs. Million)

	Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,				
		2007	2006	2007	2006	2005	2004	2003
A	**Transactions during the year/period**							
i	**Sale of power to**							
	JSW Steel Limited	85.15	495.13	-	168.30	1,785.08	1,772.51	1,470.78
	JSW Power Trading Co. Limited	3,335.43	268.73	4,126.56	-	-	-	-
ii	**Rebate on Power Sales**							
	JSW Power Trading Co. Limited	68.68	5.38	87.18	-	-	-	-
iii	**Service Received from**							
	Sun Investment Private Limited	-	33.72	67.34	66.12	66.12	64.80	-
	JSW Power Trading Co. Limited	-	11.22	22.45	5.51	-	-	-
iv	**Service Rendered to**							
	JSW Steel Limited	82.20	46.61	130.69	110.32	-	-	-
	JSW Energy (Vijayanagar) Limited	168.50	-	360.00	-	-	-	-
v	**Purchase of Fuel / Goods**							
	JSW Steel Limited	1,424.06	1,239.09	2,658.27	2,582.70	2,426.52	2,450.86	2,517.95
vi	**Lease Deposit paid to**							
	JSW Steel Limited	-	-	-	-	-	15.00	-
vii	**Lease Deposit Received from**							
	JSW Energy (Vijayanagar) Limited	-	-	5.39	-	-	-	-
viii	**Short Term Loan Received from**							
	Sun Investment Private Limited	-	-	-	-	250.00	48.00	-
ix	**Interest paid to**							
	Sun Investment Private Limited	-	-	-	-	5.92	-	-
x	**Advance paid against Equity Capital**							
	JSW Power Limited	-	-	-	-	-	1.50	-
	JSW Energy (Vijayanagar) Limited	780.00	37.30	-	-	-	-	-
	JSW Energy (Ratnagiri) Limited	150.00	344.69	-	-	-	-	-
	Raj WestPower Limited	400.00	-	-	-	-	-	-
xi	**Advance received against Services**							
	JSW Energy (Vijayanagar) Limited	371.50	-	-	-	-	-	-

	Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,				
		2007	2006	2007	2006	2005	2004	2003
	Raj WestPower Limited	500.00	-	-	-	-	-	-
xii	**Investment in Equity Shares**							
	JSW Power Limited	-	-			309.60	30.00	
	JSW Steel Limited	-	-		554.10			
	JSW Energy Overseas Limited	-	-	0.12	-	-	-	-
	JSW Energy Investments Private Limited	-	-	0.10	-	-	-	-
	JSW Power Trading Co. Limited	-	-	500.00	199.75	-	-	-
	JSW Energy (Vijayanagar) Limited	-	0.37	1100.00	18.52	-	-	-
	JSW Energy (Ratnagiri) Limited	1610.00	0.49	500.00		-	-	-
	Raj WestPower Limited	1927.50	27.60	1630.00	-	-	-	-
	JSW PowerTransco Limited	0.50	-	-	-	-	-	-
	PT. Param Utama Jaya	-	-	178.45	-	-	-	-
xiii	**Security & Collateral Provided to**							
	JSW Power Trading Co. Limited	-	125.00	-	-	-	-	-
	Raj WestPower Limited	-	-	-	10.00	-	-	-
	JSW Energy (Vijayanagar) Limited	-	-	1100.00	-	-	-	-
xiv	**Transfer of Assets and Liabilities on Demerger** [Refer Note No. 3(b) above]							
xv	**Managerial Remuneration**							
	Mr. S.S.Rao	4.44	-	-	-	6.41	3.77	3.78
	Mr. K.T.Krishna Deshika	2.65	3.49	4.45	2.97	2.57	0.25	-
	Mr. Raaj Kumar	6.45	2.23	6.96	4.41	0.64	-	-
B	**Balance at the year/period end**							
i	**Trade Payables / (Receivable)**							
	JSW Steel Limited	132.18	387.25	236.78	120.18	21.62	(333.97)	(203.34)
	JSW Power Trading Co. Limited	222.64	-	343.70	(2.70)			
ii	**Lease Deposit with**							
	JSW Steel Limited	64.88	64.88	64.88	64.88	64.88	64.88	49.88
iii	**Lease Deposit from**							
	JSW Energy (Vijayanagar) Limited	5.39	-	5.39	-	-	-	-
iv	**Advance paid against Equity Share Capital**							

	Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,				
		2007	2006	2007	2006	2005	2004	2003
	JSW Power Limited	-	-	-	-	-	1.50	-
	JSW Energy (Vijayanagar) Limited	780.00	37.30	-	-	-	-	-
	JSW Energy (Ratnagiri) Limited	150.00	344.69	-	-	-	-	-
	Raj WestPower Limited	400.00	27.60	-	-	-	-	-
v	**Trade Advances**							
	JSW Power Trading Co. Limited	-	11.22	-	-	-	-	-
vi	**Investment in Equity Shares**							
	JSW Steel Limited	-	3,258.07	3,258.07	3,258.07	3,145.57	1,089.03	1,089.03
	JSW Power Limited	-	-	-	-	339.60	30.00	-
	JSW Energy Investments Private Limited	0.10	-	0.10	-	-	-	-
	JSW Power Trading Co. Limited	699.75	199.75	699.75	199.75	-	-	-
	JSW Energy (Vijayanagar) Limited	1100.00	0.37	1100.00	-	-	-	-
	JSW Energy (Ratnagiri) Limited	2110.00	0.49	500.00	-	-	-	-
	Raj WestPower Limited	3576.02	46.12	1648.52	18.52	-	-	-
	JSW PowerTransco Limited	0.50	-	-	-	-	-	-
	PT. Param Utama Jaya	178.45	-	178.45	-	-	-	-
	JSW Energy Overseas Limited	0.01	-	0.01	-	-	-	-
vii	**Security & Collateral Provided to**							
	JSW Steel Limited	-	1,303.55	-	1,303.55	1,089.03	1,089.03	1,089.03
	JSW Power Trading Co. Limited	-	125.00	-	-	-	-	-
	Raj WestPower Limited	10.00	10.00	10.00	10.00	-	-	-
	JSW Energy (Vijayanagar) Limited	1100.00	-	1100.00	-	-	-	-
viii	**Security & Collateral Provided from**							
	JSW Steel Limited	-	1,445.00	1,445.00	1,445.00	1,445.00	1,445.00	1,445.00

Notes:

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

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

JSW ENERGY LIMITED

ANNEXURE V -A

DETAILS OF SUNDRY DEBTORS

(Rs. Million)

Particulars	As at September 30,		As at March 31,				
	2007	2006	2007	2006	2005	2004	2003
Unsecured, considered good Outstanding for a period:							
Not exceeding Six Months*	558.66	479.10	563.40	334.88	489.91	1,692.98	1,633.58
Exceeding Six Months	54.17	1,051.30	54.17	1,064.52	1,053.46	-	-
Total	**612.83**	**1,530.40**	**617.57**	**1,399.40**	**1,543.37**	**1,692.98**	**1,633.58**
Amount Due from Promoters/Promoters group companies and Directors included in Sundry Debtors, not exceeding Six Months above:							
- JSW Steel Limited	336.65	215.71	221.55	120.35	-	333.97	427.40
* excludes amount receivable, in respect of CER's on account of restatement	Nil	3275.63	3275.63	3275.63	3112.88	2202.06	1306.73

JSW ENERGY LIMITED

ANNEXURE VI -A

DETAILS OF LOANS AND ADVANCES GIVEN

(Rs. Million)

Particulars	As at September 30,		As at March 31,				
	2007	2006	2007	2006	2005	2004	2003
Secured, Considered Good							
Advances	-	0.10	0.02	0.27	0.68	1.55	2.23
Unsecured, Considered Good							
Advances recoverable in cash or in kind or for value to be received	76.63	438.20	34.60	27.97	21.34	26.13	38.35
Advance towards Preference/Equity Share Capital of subsidiaries	1337.05	-	0.65	-	-	1.50	-
Loans to Body Corporate	-	-	-	-	200.00	-	-
Deposits with Government / Semi Government Authorities	1.31	0.20	0.17	0.17	0.20	1.29	1.20
Income Tax/ TDS (Net of Provision)	-	63.20	249.83	14.77	20.15	-	-
Sundry Deposits	205.90	205.60	205.30	205.97	205.25	205.65	120.64
Total	**1,620.89**	**707.30**	**490.57**	**249.15**	**447.62**	**236.12**	**162.42**
Amount due from Promoters/Promoters group companies and Directors included in Sundry Deposits above:							
- JSW Steel limited	64.88	64.88	64.88	64.88	64.88	64.88	49.88

JSW ENERGY LIMITED

ANNEXURE VII -A

DETAILS OF INVESTMENTS

(Rs. Million)

Particulars	As at September 30, 2007	2006	As at March 31, 2007	2006	2005	2004	2003
Long term Investments							
i) Government Securities	0.01	0.01	0.01	0.01	0.01	0.01	0.01
ii) In Equity Shares							
- Trade & Quoted							
JSW Steel Limited (JSWSL)	-	3,258.07	3,258.07	3,258.07	3,145.56	1,089.03	1,089.03
- Non Trade & Quoted							
Southern Iron & Steel Co. Limited	-	-	10.75	-	-	-	-
Tata Steel Limited	-	-	7.50	-	-	-	-
Steel Authority of India Limited	-	-	1.89	-	-	-	-
-Trade & Unquoted							
(a) In subsidiaries:							
JSW Power Trading Company Limited	699.75	199.70	699.75	199.74	-	-	-
RajWest Power Limited	3,576.02	46.10	1,648.52	18.52	-	-	-
JSW Energy (Vijayanagar) Limited	1,100.00	0.40	1,100.00	-	-	-	-
JSW Energy (Ratnagiri) Limited	2,110.00	0.50	500.00	-	-	-	-
PT. Parama Utama Jaya, Indonesia	178.45	-	178.45	-	-	-	-
JSW Energy Investments Private Limited	-	-	0.10	-	-	-	-
JSW Powertransco Limited	0.50	-	-	-	-	-	-
(b) In other companies:							
JSW Power Limited	-	-	-	-	339.60	30.00	
JSW Energy Overseas Limited, Dubai	0.01	-	0.01	-	-	-	
Total	**7,664.74**	**3,504.78**	**7,405.05**	**3,476.34**	**3,485.17**	**1,119.04**	**1,089.04**
Notes:							
Aggregate of Quoted							

Particulars	As at September 30,		As at March 31,				
	2007	2006	2007	2006	2005	2004	2003
Investments -							
Cost	-	3,258.07	3,278.21	3,258.07	3,145.56	1,089.03	1,089.03
Market value	-	3,923.16	6,803.90	4,160.97	4,632.00	1,231.36	585.65
Aggregate of Unquoted Investments -							
Cost	7,664.74	246.71	4,126.84	218.27	339.61	30.01	0.01

JSW ENERGY LIMITED

ANNEXURE VIII-A

ACCOUNTING RATIOS

Particulars		For the Half Year Ended September 30,		For the Year Ended March 31,				
		2007	2006	2007	2006	2005	2004	2003
Networth as per Annexure I- A (Rs. Million)	A	9,871.97	11,278.57	11,334.62	9,719.44	9,211.10	7,579.90	5,484.01
Net Profit as restated as per Annexure II-A (Rs. Million)	B	1,795.91	981.30	3,014.37	1,332.15	1,631.18	2,095.89	1,565.35
No. of Shares outstanding at the year/period end	C	346,800,000	346,800,000	346,800,000	289,000,000	289,000,000	289,000,000	289,000,000
Bonus Shares	**D**	167,955,233	167,955,233	167,955,233	139,962,694	139,962,694	139,962,694	139,962,694
No. of Shares outstanding at the year/period end (Post Bonus issue)	**E= C+D**	514,755,233	514,755,233	514,755,233	428,962,694	428,962,694	428,962,694	428,962,694
Weighted average number of shares outstanding during the year/period	F	346,800,000	289,631,694	318,137,534	289,000,000	289,000,000	289,000,000	289,000,000
Bonus Shares	**G**	167,955,233	140,268,624	154,074,001	139,962,694	139,962,694	139,962,694	139,962,694
Weighted average number of shares outstanding during the year/period (Post Bonus issue)	**H= F+G**	514,755,233	429,900,318	472,211,535	428,962,694	428,962,694	428,962,694	428,962,694
Adjusted Earnings per Share (Basic & Diluted) (Rs.)	B/H	**3.49 (not annualised)**	**2.28**	**6.38**	**3.11**	**3.80**	**4.89**	**3.65**
Return on Net worth (%)	B/A	**18.19%**	**8.70%**	**26.59%**	**13.71%**	**17.71%**	**27.65%**	**28.54%**

Particulars		For the Half Year Ended September 30,		For the Year Ended March 31,				
		2007	2006	2007	2006	2005	2004	2003
Net Asset Value per Share (Rs.)	A/E	**19.18**	**21.91**	**22.02**	**22.66**	**21.47**	**17.67**	**12.78**

Note: 167,955,233 Equity Shares of Rs.10 each have been allotted as fully paid up Bonus Shares in the ratio of 4,843 Shares for every 10,000 shares held on December 28, 2007, by way of capitalisation of Reserves & Surplus. As a result, the issued, subscribed and paid up capital of the Company has increased from Rs. 3,468,000,000 to Rs. 5,147,552,330.

The ratios have been computed as below

Adjusted Earnings Per Shares (Rs.) shareholders / outstanding during the year/period (Post Bonus issue)	=	Net Profit as restated attributable to equity Weighted Average number of equity shares
Return on Networth (%)	=	Net Profit After Tax as restated / Networth excluding miscellaneous expenditure to the extent not w/off
Net Asset Value per equity share (Rs.)	=	Networth excluding miscellaneous expenditure to the extent not w/off / Number of equity shares outstanding at the end of the year/period (Post Bonus issue)

JSW ENERGY LIMITED

ANNEXURE IX -A

CAPITALISATION STATEMENT

(Rs. Million)

Particulars	Pre Issue as at September 30, 2007	Post Issue *
Short Term Debt	210.10	
Long Term Debt (A)	7,095.80	
Total Debt	**7,305.90**	
Equity Share Capital	3,468.00	
Reserves	6,403.97	
Total Shareholders' Fund (B)	**9,871.97**	
Long Term Debt to Total Shareholders' Fund (A/B)	**0.72:1**	[ ]

* Will be calculated after finalisation of issue price

Note: 167,955,233 Equity Shares of Rs.10 each have been allotted as fully paid up Bonus Shares in the ratio of 4,843 Shares for every 10,000 shares held on December 28, 2007, by way of capitalisation of Reserves & Surplus. As a result, the issued, subscribed and paid up capital of the Company has increased from Rs. 3,468,000,000 to Rs. 5,147,552,330.

JSW ENERGY LIMITED

ANNEXURE X -A
STATEMENT OF CHANGES IN SHARE CAPITAL

Particulars	As at September 30,		As at March 31,				
	2007	2006	2007	2006	2005	2004	2003
Share Capital							
Authorised Share Capital							
No. of Equity Share of Rs. 10 each (In Million)	400.00	400.00	400.00	400.00	400.00	400.00	400.00
Amount (Rs. Million)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Issued, Subscribed & Paid Up							
No. of Equity Share of Rs. 10 each (In Million)	346.80	346.80	346.80	289.00	289.00	289.00	289.00
Amount (Rs. Million)	3,468.00	3,468.00	3,468.00	2,890.00	2,890.00	2,890.00	2,890.00

Note: 167,955,233 Equity Shares of Rs.10 each have been allotted as fully paid up Bonus Shares in the ratio of 4,843 Shares for every 10,000 shares held on December 28, 2007, by way of capitalisation of Reserves & Surplus. As a result, the issued, subscribed and paid up capital of the Company has increased from Rs. 3,468,000,000 to Rs. 5,147,552,330.

JSW ENERGY LIMITED

ANNEXURE XI-A

DETAILS OF ITEM OF OTHER INCOME WHICH EXCEED 20 PERCENT OF NET PROFIT BEFORE TAX

Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,				
	2007	2006	2007	2006	2005	2004	2003
Other Income exceeding 20 percent of net profit before tax	NIL	NIL	NIL	NIL	NIL	NIL	NIL

JSW ENERGY LIMITED

ANNEXURE XII -A
DETAILS OF DIVIDEND DECLARED

Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,				
	2007	2006	2007	2006	2005	2004	2003
Equity Shares - Face Value (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Dividend (%)	-	-	50%	25%	-	-	-
Dividend (Rs Million)	-	-	1,734.00	722.50	-	-	-

JSW ENERGY LIMITED

ANNEXURE XIII -A

STATEMENT OF TAX SHELTERS

(Rs. Million)

	Particulars	For the Half year Ended September 30,		For the year Ended March 31,				
		2007	2006	2007	2006	2005	2004	2003
A	**Profit before Tax, as restated**	**2,110.73**	**1,155.80**	**3478.55**	**1,572.81**	**1,902.59**	**2,389.85**	**1,814.38**
	Tax Rate	33.99%	33.66%	33.66%	33.66%	36.59%	36.88%	36.75%
	Tax at notional rate on profits	**717.44**	**389.04**	**1,170.88**	**529.14**	**696.16**	**881.38**	**668.78**
B	**Less: Permanent Differences**							
I	**Exempt Income**							
	Dividend Income exempt u/s 10(34)	-	110.00	281.80	64.24	25.64	-	-
ii	**Other adjustments**							
	Donations (Net of 80G Deductions)	(5.51)	(8.60)	(4.55)	(0.01)	(0.51)	(1.60)	(0.07)
	Disallowances u/s 14A		-	(0.53)	-	-	-	-
	Other Income		-	22.23	-	-	-	-
	Loss on sale of Investments		-	-	(33.80)	-	-	-
	Deduction u/s 80IA	1,674.93	827.88	2,587.92	1,171.22	1,614.37	2,332.21	1,575.60
	Total Permanent Differences	**1,669.42**	**929.28**	**2,886.87**	**1,201.65**	**1,639.50**	**2,330.61**	**1,575.53**
C	**Less: Timing Differences**							
	Difference between Tax & Book Depreciation	150.00	149.65	299.29	296.54	302.27	287.37	300.06
	Miscellaneous Expenses written off *	1.92	0.67	1.34	1.80	1.80	(54.39)	(54.39)
	Provisions disallowed	41.10	51.24	51.24	-	(38.50)	(44.81)	(42.48)
	Disallowances u/s 43B	-	-	(1.07)	(4.47)	(1.43)	0.51	(0.06)
	Finance Charges	-	-	-	-	-	(129.07)	75.78
	Profit/ (Loss) on sale of Fixed Assets	(0.83)	-	(0.25)	(0.39)	(1.05)	(0.37)	(0.24)

	Particulars	For the Half year Ended September 30,		For the year Ended March 31,				
		2007	2006	2007	2006	2005	2004	2003
	Total Timing Differences	**192.19**	**201.56**	**350.55**	**293.48**	**263.09**	**59.24**	**278.67**
B+C	**Net Adjustments**	**1,861.61**	**1,130.84**	**3,237.42**	**1,495.13**	**1,902.59**	**2,389.85**	**1,854.20**
	Tax Savings thereon	**632.76**	**380.64**	**1,089.72**	**503.26**	**696.16**	**881.38**	**681.42**
D	**Income from other sources / Capital Gains**	-	-	22.23	-	-	-	-
E=A-(B+C)+D	**Taxable Income / (Loss)**	**249.12**	**24.96**	**263.36**	**77.68**	**-**	**-**	**(39.82)**
G	**Tax as per normal provisions**	**84.68**	**8.40**	**88.65**	**26.15**	**-**	**-**	**-**

* Net of amount allowable u/s 35D

Note: The above statement has been prepared based on the tax computation for the respective year/ period.

JSW ENERGY LIMITED

ANNEXURE I-B

CONSOLIDATED RESTATED STATEMENT OF ASSETS & LIABILITIES

(Rs. Million)

	Particulars	As at September 30,		As at March 31,	
		2007	2006	2007	2006
A.	**Goodwill on Consolidation**	171.36	0.03	171.36	0.03
B.	**Fixed Assets**				
	Gross Block (at cost)	10,938.57	10,890.63	10,865.17	10,730.73
	Less: Depreciation	4,445.44	3,863.11	4,152.19	3,567.04
	Net Block	**6,493.13**	**7,027.52**	**6,712.98**	**7,163.69**
	Capital Work in Progress (including capital advance)	10,841.60	919.10	2,779.31	116.13
	Total	**17,334.73**	**7,946.62**	**9,492.29**	**7,279.82**
C.	**Investments**	**196.84**	**3,760.91**	**3,675.07**	**3,454.91**
D.	**Current Assets, Loans and Advances**				
	Inventories	253.90	214.30	231.25	214.50
	Sundry Debtors	693.00	4,867.85	3,899.23	4,675.03
	Cash & bank balances	2,166.18	1,474.35	2,745.09	448.37
	Loans and advances	1,137.70	338.84	1,034.69	249.42
	Total	**4,250.78**	**6,895.34**	**7,910.26**	**5,587.32**
	Total Assets (A+B+C+D)	**21,953.71**	**18,602.90**	**21,248.98**	**16,322.08**
E.	**Liabilities & Provisions**				
	Advance towards Share Capital	**137.90**	**800.00**	-	-
	Minority Interest	**800.42**	**0.40**	**800.29**	**0.25**
	Loan funds				
	Secured Loans	9,197.55	3,841.21	6,045.10	4,383.10
	Unsecured Loans	5.78	1,005.78	1,025.78	5.78
	Deferred Tax Liability	619.10	506.84	559.24	442.93
	Current Liabilities & Provisions				
	Liabilities	1,297.46	576.92	1,142.37	369.56
	Provisions	382.08	582.71	527.94	1400.06
	Total	**12440.29**	**7313.86**	**10100.72**	**6601.68**
F	**Net worth [(A+B+C+D) – E]**	**9,513.42**	**11,289.04**	**11,148.26**	**9,720.40**
	Represented by:				
	Share Capital	3,468.00	3,468.00	3,468.00	2,890.00
	Reserves & Surplus	6,045.42	7,821.04	7,680.26	6,830.40
	Total	**9,513.42**	**11,289.04**	**11,148.26**	**9,720.40**

JSW ENERGY LIMITED

ANNEXURE II-B

CONSOLIDATED RESTATED STATEMENT OF PROFITS AND LOSSES

(Rs. Million)

Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,	
	2007	2006	2007	2006
Income				
Income from Operations: -				
Sale of Power Generated	4,157.10	3,032.92	7,339.87	5,307.97
Power Traded	80.96	0.14	298.70	-
Sale of Certified Emission Reductions (CER's)	3,275.63	-	-	-
Operator Fees	82.20	41.60	130.70	110.32
Total Income from Operations	**7,595.89**	**3,074.66**	**7,769.27**	**5,418.29**
Other income	134.04	131.10	346.21	70.53
Total Income	**7,729.93**	**3,205.76**	**8,115.48**	**5,488.82**
Expenditure				
Purchase of Power	80.46	0.13	296.31	-
Cost of Fuel	1,419.12	1,226.00	2,647.72	2,558.07
Employees Cost	75.08	39.34	87.81	61.65
Operation, Maintenance & Other Expenses	276.60	269.55	460.41	380.60
Total Operating Expenses	**1,851.26**	**1,535.02**	**3,492.25**	**3,000.32**
Profit Before Interest, Depreciation, Tax and Amortisation (PBIDTA)	**5,878.67**	**1,670.74**	**4,623.23**	**2,488.50**
Interest and Finance Charges	376.25	203.30	629.79	497.39
Depreciation	292.05	296.17	583.05	579.61
Amortisation of Preliminary & Share issue Expenses	0.18	-	-	-
Profit Before Tax	**5,210.19**	**1,171.27**	**3,410.39**	**1,411.50**
Provision for:				
Current Tax (including Fringe Benefit Tax)	620.44	115.95	389.59	109.67
Deferred Tax	59.87	63.84	116.30	113.00
Profit After Tax (A)	**4,529.88**	**991.48**	**2,904.50**	**1,188.83**
Adjustments: - (Refer Note No. 5 (a) in Annexure IV-B)				
Sale of Certified Emission Reductions (CER's)	(3,275.63)	-	-	162.75
Preliminary and Share Issue Expenses written off /Interest & Finance Charges	-	(0.70)	(77.48)	-
Total Adjustments	**(3,275.63)**	**(0.70)**	**(77.48)**	**162.75**
Less: Tax Impact of adjustments	(369.13)	-	-	18.44
Total Adjustments after tax impact (B)	**(2906.50)**	**(0.70)**	**(77.48)**	**144.31**
Net Profit before minority interest, as restated (A+B)	**1,623.38**	**990.78**	**2,827.02**	**1,333.14**
Less: Minority Interest	0.01	0.01	0.02	-
Net Profit after minority interest, as restated	**1,623.37**	**990.77**	**2,827.00**	**1,333.14**
Adjusted Earnings Per Share (Basic &	3.15			

Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,	
	2007	2006	2007	2006
Diluted) (Rs.)		2.30	5.99	3.11
	(Not Annualised)			

JSW ENERGY LIMITED

ANNEXURE III-B

CONSOLIDATED RESTATED CASH FLOW STATEMENT

(Rs. Million)

	Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,	
		2007	2006	2007	2006
A	**Cash Flow from Operating Activities**				
	Net Profit before tax as restated	**1934.56**	**1170.57**	**3332.91**	**1574.25**
	Adjustment for:				
	Depreciation	292.05	296.17	583.05	579.60
	Interest Income	(80.10)	(14.10)	(63.23)	(5.60)
	Dividend Income	-	(116.80)	(281.80)	(64.20)
	Amortisation of preliminary and share issue expenses	0.18	-	-	-
	Loss on Sale of Fixed Assets	0.92	(0.10)	0.28	0.40
	Loss on Sale of Long Term Investments	-	-	-	33.80
	Interest & finance charges	377.30	203.30	629.99	497.39
	Foreign Exchange Gain	(52.35)	-	-	-
		538.00	**368.47**	**868.30**	**1041.39**
	Operating profit before working capital changes	**2472.56**	**1539.04**	**4201.21**	**2615.64**
	Adjustments for:				
	Changes in Trade and other Receivables	3125.31	(208.90)	332.58	(18.85)
	Changes in Trade and other Payables	5.46	293.96	659.39	55.98
	Changes in Inventories	(22.70)	0.20	(16.70)	(10.40)
	Loans & Advances	199.80	(64.10)	(234.25)	183.21
	Cash from operations	**5780.43**	**1560.20**	**4942.23**	**2825.58**
	Income Taxes Paid	(409.96)	(64.05)	(397.64)	(103.91)
	Net cash from operating activities	**5370.47**	**1496.15**	**4544.59**	**2721.67**
B	**Cash Flow from Investing Activities**				
	Purchase of Fixed Assets including Intangible Assets, CWIP & Preop. Exp.	(8037.51)	(964.26)	(3202.76)	(106.57)
	Interest Income	80.10	14.10	45.80	5.60
	Dividend Income	-	116.80	299.23	64.21
	Investment in Subsidiaries (including advances)	199.99	(306.00)	(220.91)	(3.80)
	Preliminary expenses incurred	(0.18)	-	-	-
	Sale of Fixed Assets	0.85	0.80	0.76	0.71
	Net cash from/ (used in) investing activities	**(7756.75)**	**(1138.56)**	**(3077.88)**	**(39.85)**
C	**Cash Flows from Financing Activities**				
	Proceeds from further equity issued	90.00	1378.00	1378.00	-
	Proceeds from/(Repayments of) Borrowings (Net)	2153.42	458.10	2695.00	(1778.13)
	Interest & finance charges paid	(436.05)	(343.91)	(641.99)	(491.59)
	Dividend Paid	-	(823.80)	(2801.00)	-
	Net cash from/ (used in) financing activities	**1807.37**	**668.39**	**630.01**	**(2269.72)**
	Net (Decrease) / Increase in cash and cash equivalents	**(578.91)**	**1025.98**	**2096.72**	**412.10**

Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,	
	2007	2006	2007	2006
Cash and cash equivalents at beginning of year/ period	2535.09	438.37	438.37	26.26
Cash and cash equivalents at end of year/ period	1956.18	1464.35	2535.09	438.37

Notes:

1. Cash and cash equivalents exclude balance in margin money.
2. Being a non cash transaction, Demerger of Investment Division does not have any impact on above statement. [Refer note no.5 (b) of attached Annexure IV- B].

ANNEXURE IV-B

JSW ENERGY LIMITED

Significant Accounting Policies and Selected Notes to Consolidated Statements of Profits & Losses and Assets & Liabilities, as restated:

1. Overview of the Group

JSW Energy Limited (the Parent company), its Subsidiaries and Jointly Controlled Entity, collectively is referred to as 'the Group'. The Group is primarily engaged in the business of generation of power, operation & maintenance of power plants and trading in power.

2. Basis of preparation

The consolidated financial statements (CFS) are prepared in accordance with Accounting Standard (AS) 21-"Consolidated Financial Statements" and Accounting Standard (AS) 27 - "Financial Reporting of Interests in Joint Ventures", issued by the Institute of Chartered Accountants of India (ICAI).

3. Principles of Consolidation

i. The financial statements of the Parent Company and its Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealised profits/losses on intra-group transactions, and are presented to the extent possible, in the same manner as the Company's independent financial statements.

ii. The group's interest in Jointly Controlled Entity is consolidated on a line-by-line basis by adding together the book values of assets and liabilities, income and expenses after eliminating the unrealised profits /losses on intra-group transactions.

iii. Companies included in Consolidation

	Date of becoming Subsidiary/ Joint Venture	Proportion of ownership interest as at			
		September 30,		March 31,	
		2007	2006	2007	2006
Subsidiaries:					
Incorporated in India					
JSW Power Trading Company Ltd.	From July 8, 2005	**99.96%**	**99.875%**	**99.96%**	**99.875%**
JSW Energy (Vijayanagar) Ltd.	From May 5, 2006	**57.89%**	**73.40%**	**57.89%**	**Nil**
JSW Energy (Ratnagiri) Ltd.	From June 30, 2006	**99.999%**	**99.20%**	**99.999%**	**Nil**
JSW PowerTransco Limited	From July 3, 2007	**100%**	**Nil**	**Nil**	**Nil**
RajWest Power Ltd.	From February 10, 2006	**99.999%**	**99.993%**	**99.999%**	**99.995%**
JSW Energy Investments Pvt. Ltd.	From February 19, 2007 to March 31, 2007	**Nil**	**Nil**	**100%**	**Nil**

Incorporated in Indonesia					
P.T Param Utama Jaya	From January 18, 2007	**100%**	**Nil**	**100%**	**Nil**
Joint Venture:					
Incorporated in India					
Barmer Lignite Mining Company Ltd.	**From January 19, 2007**	**49%**	**Nil**	**49%**	**Nil**

iv. Company excluded from consolidation:

JSW Infrastructure & Logistics Limited (JILL) was a subsidiary during the period from July 31, 2006 to March 30, 2007 and an associate from March 31, 2007 to May 11, 2007 of JSW Energy (Ratnagiri) Limited.

JILL has been excluded from consolidation in accordance with relevant Accounting Standards, as the control was intended to be temporary and the investment was acquired with a view to its subsequent disposal in the near future.

4. Significant Accounting Policies

(a) General

The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern and as per applicable accounting standards. The Group follows mercantile system of accounting and recognises income and expenditure on accrual basis except those with significant uncertainties.

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognised prospectively.

(b) Revenue Recognition

Revenue is recognised based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

i. Revenue from sale of power is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.

ii. Revenue from construction / project related activity:

Revenue from construction contract are recognised by reference to the overall estimated profitability of the contract under the percentage of completion method. Foreseeable losses in any contract are provided irrespective of the stage of completion of the contract activity. The stage of completion of the contract is determined considering the nature of the contract, technical evaluation of work completed / measurement of physical progress and proportion of the cost incurred to the estimated total cost.

Contracts cost comprise all cost that relate directly to the specified contract, incidental cost attributable to the contract including appropriate overheads.

iii. Operator fees and other income is accounted on accrual basis as and when the right to receive arises.

(c) Fixed Assets

Fixed assets are recorded at cost which include all direct and indirect expenses upto the date of acquisition, installation and / or commencement of commercial generation of power.

(d) Depreciation

Depreciation is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Depreciation on impaired assets related to a cash generating unit is provided by adjusting the depreciation charge in the remaining periods so as to allocate the revised carrying amount of the asset over its remaining useful life.

(e) Impairment of assets

In accordance with AS-28 on 'Impairment of assets' issued by the Institute of Chartered Accountants of India, where there is an indication of impairment of the Group's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized in the profit and loss account whenever the carrying amount of such assets exceed its recoverable amount.

(f) Borrowing Costs

(i) Borrowing Costs (including exchange difference) directly attributable to the acquisition and construction of a qualifying asset are capitalised as part of cost of such asset upto the date when such asset is ready for its intended use.
(ii) Other borrowing costs are charged to revenue.

(g) Investments

Long term Investments are stated at cost. In case, there is a decline other than temporary in the value of any Investments, a provision for the same is made.

(h) Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on the basis of weighted average. Obsolete, defective and unserviceable stocks are duly provided for wherever applicable.

(i) Foreign Exchange Transactions

Foreign exchange transactions are recorded at the exchange rates prevailing on the date of the transaction.

Foreign currency designated assets, liabilities and capital commitments are stated at the year end rates.

Exchange difference, other than referred to in (f) above are charged to the revenue.

(j) Retirement and other employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation.

Actuarial gains/ losses are immediately taken to profit and loss account and are not deferred.

(k) Taxation

Income tax expenses comprise current tax and fringe benefit tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain as the case may be to be realised.

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the normal income tax will be payable within the statutory time frame and the same is reviewed at each balance sheet date.

(l) Provisions and Contingent Liabilities

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

a) the Group has a present obligation as a result of a past event.
b) a probable outflow of resources is expected to settle the obligation and
c) the amount of the obligation can be reliably estimated

Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognised to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of

a) a present obligation arising from a past event, when it is not probable that a outflow of resources will be required to settle the obligation.
b) a possible obligation, unless the probability of outflow of resources is remote.

5. Selected Notes to Consolidated Accounts

(a) Adjustments to Restated Consolidated Statement of Profits & Losses and Assets & Liabilities:

i. a) Revenue recognised on sale of Certified Emission Reductions (CER's) during the half year ended September 30, 2007 has now been restated to the respective years to which they relate.
b) Sundry Debtors as at September 30, 2006, March 31, 2007 and March 31, 2006 include amount receivable of Rs. 3,275.63 million in respect of CER's on account of restatement.

ii. Preliminary and share issue expenses incurred and accounted to preoperative expenses pending allocation by subsidiaries, have now been charged off to the respective year in which it was incurred to follow the accounting policy followed by the group.

iii. Current Tax Impact of above mentioned adjustments on restatement has been provided at the appropriate tax rate applicable.

(c) Contingent Liabilities not provided for in respect of:

(Rs. Million)

Particulars	**As at September 30, 2007**	**2006**	**As at March 31, 2007**
Bank Guarantees Outstanding	2297.50*	Nil	1010.00*
Income Tax matter (excluding interest, if any)	107.02	107.02	107.02

*Refer Note No. 5 (d) below.

(d) The Parent Company was supplying power to Karnataka Power Transmission Corporation Limited (KPTCL) on the basis of the rate approved by Govt of Karnataka, which was incorporated in the Power Purchase Agreement (PPA), dated 27th November, 2000. On the application by KPTCL to Karnataka Electricity Regulatory Commission (KERC) for approval of PPA, KERC had passed Order in July 2002 reducing the tariff retrospectively from 1st August, 2000. The Parent Company's appeal against the said Order was decided by the Karnataka High Court vide its Order dated 8th April, 2004 in favour of the Parent Company. Pursuant to the decisions of KERC / Hon'ble High Court of Karnataka, the consequential revenue differential of Rs. 810.36 million for the period August 2000 to March 2003 was derecognised / recognised and shown as an exceptional item in the Profit and Loss account for the year ended on March 31, 2003 and March 31, 2004 respectively. KPTCL and KERC filed Special Leave Petition before the Honorable Supreme Court challenging the Order of Karnataka High Court. In terms of the interim order dated 23rd January, 2007 of Supreme Court, KPTCL paid Rs.1000 million against bank guarantee provided by the Parent Company. The balance amount of Rs.53.50 million due from KPTCL is included in Sundry Debtors and considered as good and recoverable.

(e) The proportionate share in the assets, liabilities of Joint Venture Entity included in these consolidated financial statements are given below:

(Rs. Million)

Particulars of Balance Sheet items	**As at September 30, 2007**	**As at March 31, 2007**
Fixed Assets (net) including capital work-in-Progress	162.60	161.51
Current Assets	0.34	1.84
Current Liabilities	-	1.40
Unsecured Loans	114.79	113.81

As commercial operation has not started, no Profit and Loss Account has been prepared by the Joint Venture.

(f) Capital Work-in-progress include:

(Rs. Million)

Particulars	**As at September 30, 2007**	**2006**	**As at March 31, 2007**	**2006**
Capital Advances (Unsecured Considered Good)	**5,496.14**	**801.03**	**1643.15**	**0.17**
Building under Construction	**275.91**	**-**	**273.49**	**-**
Plant & Machinery under Erection	**3,795.53**	**15.66**	**391.69**	**93.59**

Civil Work		**168.58**	**8.36**	**81.62**	**-**
Right under JV agreement		**0.12**	**-**	**-**	**-**
	[A]	9,736.28	825.05	2,389.95	93.76
Pre-operative expenses pending allocation:					
Opening Balance		389.36	22.37	22.37	15.37
Rates & Taxes		**1.05**	**11.01**	**13.00**	**4.55**
Insurance		**9.49**	**-**	**6.37**	**-**
Lease Rent		**0.62**	**0.22**	**1.19**	**0.06**
Repairs & Maintenance		**0.07**	**0.08**	**0.12**	**0.00**
Interest		**69.54**	**-**	**3.45**	**-**
Finance Charges		**434.39**	**15.11**	**83.66**	**-**
Depreciation		**1.70**	**0.13**	**3.34**	**0.01**
Income Tax		**3.13**	**-**	**6.97**	**-**
Fringe Benefit Tax		**0.40**	**0.03**	**0.74**	**0.04**
Exchange Loss		**143.61**	**-**	**59.04**	**-**
Other Expenses		**61.16**	**50.30**	**215.02**	**2.34**
	[B]	1,114.52	99.25	415.27	22.37
Less: Interest Received		**9.11**	**-**	**20.68**	**-**
Misc. Income Received		**0.04**	**-**	**0.00**	**-**
Rent Received		**0.06**	**-**	**0.03**	**-**
Transfer to Fixed Assets		**-**	**5.20**	**5.20**	**-**
	[C]	9.21	5.20	25.91	-
	TOTAL [A+B-C]	10,841.60	919.10	2,779.31	116.13

(g) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances):

(Rs. Million)

Particulars	**As at September 30,**		**As at March 31,**	
	2007	**2006**	**2007**	**2006**
Estimated amount of contracts (net of advances)	**61,308.61**	**7,028.18**	**15,135.39**	**3.90**

(h) The foreign currency exposures that have not been hedged by a derivative instrument or otherwise as at Balance Sheet date are given below:

Sr.No.	Particulars	As at September 30, 2007		As at March 31, 2007	
		USD Million	Rs. Million	USD Million	Rs. Million
1	Capital Advances	56.29	2,252.13	27.71	1,212.74
2	Secured Loans	17.49	700.48	22.44	982.30

(i) As the Group is primarily engaged in only one segment viz. "Generation and sale of power", there are no reportable segments as per Accounting Standard 17.

(j) Deferred Tax Liability consists of timing differences due to depreciation.

(k) Related Party Transactions

A LIST OF RELATED PARTIES

i Associates/Parties with whom the Group has entered into transactions:

1	JSW Steel Limited
2	Sun Investment Private Limited
3	JSW Energy Overseas Limited, Dubai
4	JSW Energy Investments Private Limited (From April 1, 2007)
5	JSW Infrastructure & Logistics Limited (Refer Note No. 3 (iv) above)

ii Key Managerial Personnel

1	Mr. S.S.Rao - Jt. Managing Director & CEO
2	Mr. Raaj Kumar - Jt. Managing Director & CEO (upto August 31, 2007)
3	Mr. K.T.Krishna Deshika - Director – Finance (upto April 16, 2007)
4	Mr. Satish Jindal – Director, JSW Power Trading Company Limited

B. **Related Party Transactions**

(Rs. Million)

Particular		**For the Half Year Ended September 30,**		**For the Year Ended March 31,**	
		2007	**2006**	**2007**	**2006**
A	**Transactions during the year**				
I	**Sale of power to**				
	JSW Steel Limited	85.15	495.13	-	168.30
ii	**Service Received from**				
	Sun Investment Private Limited	-	33.72	67.34	66.12
iii	**Service Rendered to**				
	JSW Steel Limited	82.20	46.61	130.69	110.32
iv	**Purchase of Fuel & Water & Materials from**				
	JSW Steel Limited	1,424.06	1,239.09	2,658.30	2,582.72
v	**Investment in Equity Shares**				
	JSW Infrastructure & Logistics Limited	-	306.00	306.00	-
	JSW Steel Limited	-	-	-	112.51
vi	**Sale of Investment**				
	JSW Infrastructure & Logistics Limited	200.00	-	106.00	-
vii	**Transfer of Assets and Liabilities on Demerger** [Refer Note No. 5(b) above]				
viii	**Managerial Remuneration**				
	Mr. S.S.Rao	4.44	-	-	-
	Mr. K.T.Krishna Deshika	2.65	3.49	4.45	2.97
	Mr. Raaj Kumar	6.45	2.23	6.96	4.41
	Mr. Satish Jindal	1.40	0.81	1.78	-
B	**Balance at the year end**				
i	**Trade Payables/ Receivable (Net)**				

Particular		For the Half Year Ended September 30,		For the Year Ended March 31,	
		2007	2006	2007	2006
	JSW Steel Limited	132.18	387.25	236.78	120.18
ii	**Lease Deposit with**				
	JSW Steel Limited	64.88	64.88	64.88	64.88
iii	**Investment in Equity Shares**				
	JSW Steel Limited	3,258.08	3,258.08	3,258.08	3,258.08
	JSW Infrastructure & Logistics Limited	-	306.00	200.00	-
iv	**Security & Collateral Provided for**				
	JSW Steel Limited	-	-	-	1,303.55
v	**Security & Collateral provided by**				
	JSW Steel Limited	-	-	-	1,445.00

Notes:

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

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

JSW ENERGY LIMITED

ANNEXURE V-B

DETAILS OF SUNDRY DEBTORS

(Rs. Million)

Particulars	As at September 30,		As at March 31,	
	2007	**2006**	**2007**	**2006**
Unsecured, Considered good Outstanding for a period:				
Not exceeding Six Months *	636.09	540.92	569.70	334.88
Exceeding Six Months	56.91	1,051.30	53.90	1,064.52
Total	**693.00**	**1,592.22**	**623.60**	**1,399.40**
Amount Due from Promoters/Promoters group companies and Directors included in Sundry Debtors, not exceeding Six Months above:				
- JSW Steel Limited	336.65	215.71	221.55	120.35
* excludes amount receivable, in respect of CER's on account of restatement	Nil	3275.63	3275.63	3275.63

JSW ENERGY LIMITED

ANNEXURE VI-B

DETAILS OF LOANS AND ADVANCES GIVEN

(Rs. Million)

Particulars	As at September 30,		As at March 31,	
	2007	**2006**	**2007**	**2006**
Secured, Considered good				
Advances	-	0.10	0.02	0.27
Unsecured, Considered good				
Advances recoverable in cash or in kind or for value to be received	631.62	65.30	398.02	28.07
Advance towards Preference/Equity Share Capital	104.81	-	50.51	-
Loans to Body Corporate	165.95	-	118.46	-
Deposits with Government / Semi Government Authorities	3.87	2.36	2.70	0.18
Income Tax/ TDS (Net of Provision)	27.00	64.95	251.51	14.77
Sundry Deposits	204.45	206.13	213.47	206.13
Total	**1,137.70**	**338.84**	**1,034.69**	**249.42**
Amount due from Promoters/Promoters group companies and Directors included in Sundry Deposits above:				
- JSW Steel Limited	64.88	64.88	64.88	64.88

JSW ENERGY LIMITED

ANNEXURE VII-B

DETAILS OF INVESTMENTS

(Rs. Million)

Particulars	As at September 30		As at March 31,	
	2007	**2006**	**2007**	**2006**
Long term Investments				
i) Government Securities	0.03	0.01	0.02	0.01
ii) In Equity Shares				
- Trade & Quoted				
JSW Steel Limited (JSWSL)	196.80	3454.90	3454.90	3454.90
- Non-Trade & Quoted				
Southern Iron & Steel Co. Limited	-	-	10.75	-
Tata Steel Limited	-	-	7.50	-
Steel Authority of India Limited	-	-	1.89	-
-Trade & Unquoted				
(b) In other companies:				
JSW Energy Overseas Limited, Dubai	0.01	-	0.01	-
JSW Infrastructure & Logistic Limited	-	306.00	200.00	-
Total	**196.84**	**3760.91**	**3675.07**	**3454.91**
Notes:				
Aggregate of Quoted Investments -				
Cost	196.80	3454.90	3475.01	3454.90
Market value	723.36	4165.75	7223.33	4418.26
Aggregate of Unquoted Investments -				
Cost	0.04	306.01	200.06	0.01

JSW ENERGY LIMITED

ANNEXURE VIII-B
ACCOUNTING RATIOS

Particulars		For the Half Year Ended September 30,		For the Year Ended March 31,	
		2007	2006	2007	2006
Networth as per Annexure I-B (Rs. Million)	**A**	9,513.42	11,289.04	11,148.26	9,720.40
Net Profit as restated as per Annexure II-B (Rs. Million)	**B**	1,623.37	990.77	2,827.00	1,333.14
No. of Shares outstanding at the year/period end	**C**	346,800,000	346,800,000	346,800,000	289,000,000
Bonus Shares	**D**	167,955,233	167,955,233	167,955,233	139,962,694
No. of Shares outstanding at the year/period end (Post Bonus issue)	**E= C+D**	514,755,233	514,755,233	514,755,233	428,962,694
Weighted average number of shares outstanding during the year/period	**F**	346,800,000	289,631,694	318,137,534	289,000,000
Bonus Shares	**G**	167,955,233	140,268,624	154,074,001	139,962,694
Weighted average number of shares outstanding during the year/period (Post Bonus issue)	**H= F+G**	514,755,233	429,900,318	472,211,535	428,962,694
Adjusted Earnings per Share (Basic & Diluted) (Rs.)	**B/H**	**3.15**	**2.30 (not annualised)**	**5.99**	**3.11**
Return on Net worth (%)	**B/A**	**17.06%**	**8.78%**	**25.36%**	**13.71%**
Net Asset Value per Share (Rs.)	**A/E**	**18.48**	**21.93**	**21.66**	**22.66**

Note: 167,955,233 Equity Shares of Rs.10 each have been allotted as fully paid up Bonus Shares in the ratio of 4,843 Shares for every 10,000 shares held on December 28, 2007, by way of capitalisation of Reserves & Surplus. As a result, the issued, subscribed and paid up capital of the Company has increased from Rs. 3,468,000,000 to Rs. 5,147,552,330.

The ratios have been computed as below

Adjusted Earnings Per Shares (Rs.) = $\dfrac{\text{Net Profit as restated attributable to equity shareholders}}{\text{Weighted Average number of equity shares outstanding during the year/period (Post Bonus issue)}}$

Return on Networth (%) = $\dfrac{\text{Net Profit After Tax as restated}}{\text{Networth excluding miscellaneous expenditure to the extent not w/off}}$

Net Asset Value per equity share (Rs.) = $\dfrac{\text{Networth excluding miscellaneous expenditure to the extent not w/off}}{\text{Number of equity shares outstanding at the end of the year/period (Post Bonus issue)}}$

JSW ENERGY LIMITED

ANNEXURE IX-B

CAPITALISATION STATEMENT

(Rs. Million)

Particular	Pre Issue	Post Issue*
Short Term Debt	215.80	
Long Term Debt (A)	8,987.53	
Total Debt	**9,203.33**	
Equity Share Capital	3,468.00	
Reserves	6,045.42	
Total Shareholders' Fund (B)	**9,513.42**	
Long Term Debt to Total Shareholders' Fund (A/B)	**0.94:1**	**[ ]**

* Will be calculated after finalisation of issue price.

Note: 167,955,233 Equity Shares of Rs.10 each have been allotted as fully paid up Bonus Shares in the ratio of 4,843 Shares for every 10,000 shares held on December 28, 2007, by way of capitalisation of Reserves & Surplus. As a result, the issued, subscribed and paid up capital of the Company has increased from Rs. 3,468,000,000 to Rs. 5,147,552,330.

JSW ENERGY LIMITED

ANNEXURE X-B

STATEMENT OF CHANGES IN SHARE CAPITAL

Particulars	As at September 30,		As at March 31,	
	2007	2006	2007	2006
Share Capital				
Authorised Share Capital				
No. of Equity Share of Rs. 10 each (In Million)	400.00	400.00	400.00	400.00
Amount (Rs. Million)	4,000.00	4,000.00	4,000.00	4,000.00
Issued, Subscribed & Paid Up				
No. of Equity Share of Rs. 10 each (In Million)	346.80	346.80	346.80	289.00
Amount (Rs. Million)	3,468.00	3,468.00	3,468.00	2,890.00

Note: 167,955,233 Equity Shares of Rs.10 each have been allotted as fully paid up Bonus Shares in the ratio of 4,843 Shares for every 10,000 shares held on December 28, 2007, by way of capitalisation of Reserves & surplus. As a result, the issued, subscribed and paid up capital of the Company has increased from Rs. 3,468,000,000 to Rs. 5,147,552,330.

JSW ENERGY LIMITED

ANNEXURE XI-B

DETAILS OF ITEM OF OTHER INCOME WHICH EXCEED 20 PERCENT OF NET PROFIT BEFORE TAX

Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,	
	2007	2006	2007	2006
Other Income exceeding 20 percent of net profit before tax	NIL	NIL	NIL	NIL

JSW ENERGY LIMITED

ANNEXURE XII-B

DETAILS OF DIVIDEND DECLARED

Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,	
	2007	2006	2007	2006
Equity Shares - Face Value (Rs.)	10.00	10.00	10.00	10.00
Dividend (%)	-	-	50%	25%
Dividend (Rs Million)	-	-	1,734.00	722.50

JSW ENERGY LIMITED

ANNEXURE XIII-B
STATEMENT OF TAX SHELTERS

(Rs. Million)

	Particulars	For the Half year Ended September 30,		For the Year Ended March 31,	
		2007	2006	2007	2006
A	**Profit before Tax, as restated**	**1,934.56**	**1,170.57**	**3,332.91**	**1,574.25**
	Tax Rate	33.99%	33.66%	33.66%	33.66%
	Tax at notional rate on profits	**657.56**	**394.01**	**1121.86**	**529.89**
B	**Less: Permanent Differences**				
i	**Exempt Income**				
	Dividend Income exempt u/s 10(34)	-	-	288.60	64.24
ii	**Other adjustments**				
	Donations (Net of 80G Deductions)	(5.51)	-	(4.55)	(0.01)
	Disallowances u/s 14A	-	-	(0.53)	-
	Other Income	-	-	22.23	-
	Loss on sale of Investments	-	-	-	(33.80)
	Deduction u/s 80IA	1,716.54	986.64	2,521.07	1169.86
	Total Permanent Differences	**1,711.03**	**986.64**	**2,826.82**	**1,200.30**
C	**Less: Timing Differences**				
	Difference between Tax & Book Depreciation	150.00	149.65	299.29	296.54
	Miscellaneous Expenses written off *	1.92	0.67	1.34	1.80
	Provisions disallowed	-	-	51.24	-
	Disallowances u/s 43B	-	-	(1.07)	(4.47)
	Profit/ (Loss) on sale of Fixed Assets	(0.83)	-	(0.25)	(0.39)
	Total Timing Differences	**151.09**	**150.32**	**350.55**	**293.48**
B+C	**Net Adjustments**	**1,862.12**	**1,136.95**	**3,177.37**	**1,493.78**
	Tax Savings thereon	**632.93**	**382.70**	**1,069.51**	**502.81**
D	**Income from other sources / Capital Gains**	-	-	22.23	-
E=A-(B+C)+D	**Taxable Income / (Loss)**	**72.44**	**33.62**	**177.77**	**80.47**
G	**Tax as per normal provisions**	**24.62**	**11.32**	**59.84**	**27.09**

* Net of amount allowable u/s 35D

Note: The above statement has been prepared based on the tax computation for the respective year/period.

Annexure XIV

Statement of Tax Benefits

The tax benefits listed below are the possible benefits available under the current tax laws in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill.

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

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

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

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

4. Under Section 111A of the Act, short-term capital gain on sale of equity shares or units of an equity oriented fund where the transaction of such sale is chargeable to Securities Transaction Tax, shall be chargeable to tax at the rate of 10% (plus applicable surcharge and education cess).

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

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

1. **To the Company**

1.1 In accordance with and subject to the condition specified in Section 80-IA of the Act, the Company would be entitled for a deduction of an amount equal to hundred per cent of profits or gains derived from industrial undertaking engaged in generation and/or distribution or transmission of power for any ten consecutive assessment years out of fifteen years beginning from the year in which the undertaking has started its operation, which should be before 31st day of March, 2010.

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

1.3 Under Section 35D of the Act, the Company is eligible for a deduction of an amount equal to one-fifth of certain specified expenditure for each of the five successive years, subject to certain limits and conditions set out in the said Section.

1.4 Under Section 115JAA(1A) of the Act, credit is allowed in respect of any tax paid (MAT) under Section 115JB of the Act for any assessment year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall be available for set-off upto 7 years succeeding the year in which the MAT credit becomes allowable.

2. **To the Shareholders of the Company**

2.1 **Resident Shareholders**

i) In terms of Section 88E of the Act, the securities transaction tax paid in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of tax on the income chargeable under the head 'Profits and Gains of Business or Profession' arising from taxable securities transactions.

ii) According to the provision of Section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family (HUF), capital gain arising on transfer of long term assets [other than a residential house and those exempt U/S 10(38)] are not chargeable to tax if the entire net consideration is invested within the prescribed period in a residential house. If only a part of such net consideration is invested, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of capital asset as reduced by any expenditure incurred, wholly and exclusively in connection with such transfer.

2.2 **Non-Resident Shareholders**

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

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

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

2.3 **Mutual Funds**

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

2.4 **Foreign Institutional Investors (FIIs)**

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

a) Short term capital gain on transfer of shares/debentures entered in a recognized stock exchange which is subject to securities transaction tax shall be taxed @

10% (plus applicable surcharge and educational cess); and

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

ii) Under Section 115AD capital gain arising on transfer of long term capital assets [other than those exempt U/S 10 (38)], being shares and debentures in a company, are taxed @ 10% (plus applicable surcharge and educational cess). Such capital gains would be computed without giving effect to the first and second proviso to Section 48. In other words, the benefit of indexation, direct or indirect, as mentioned under the two provisos would not be allowed while computing the capital gains.

2.5 **Venture Capital Companies/ Funds**

i) As per the provisions of Section 10(23FB) of the Act, income of:

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

b) Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit Trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette set up for raising funds for investment in a Venture Capital Undertaking is exempt from income tax.

Benefits available under the Wealth Tax Act, 1957

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

Benefits available under the Gift Tax Act, 1957

Gift of shares of the company made on or after October 1, 1998 are not liable to tax.

NOTES:

a) At present, the Company does not enjoy any special direct tax benefits.

b) All the above benefits are as per the current tax law and will be available only to the sole/ first named holder in case the shares are held by joint holders.

c) In respect of non-residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any between India and the country in which the non-resident has fiscal domicile.

In view of the individual nature of tax consequence, each investor is advised to consult his/ her own tax adviser with respect to specific tax consequences of his/ her participation in the scheme.

d) The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.

A breakup of salient terms of secured loans as on 30th September 2007 is as below:

(a) JSW Energy Limited

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
1	ICICI Bank Ltd.,- (NCD)	Subscription agreement dated 27th March 1997	1400.00	280.68	20.00%	44 quarterly installment from 15/07/01	Secured on a pari passu basis by (a) A first ranking legal mortgage on the Company's immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage of Company's immovable assets in Karnataka. (c) A First ranking charge by way of hypothecation of moveable assets. (d) Pledge of 42.50% of each shareholder's equity share in the Company. (d) A first ranking charge on the receivables and interest in Retention Accounts both present and future.	The Company shall not prepay the outstanding principal amounts in full or in part, before the due dates, except after obtaining the prior approval of Lead Institution (which may be granted conditionally)

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
2	UTI Bank Ltd.(NCD)	Subscription agreement dated 5th March 2004	1000.00	678.57	8.00%	28 quarterly installment from 15/07/05	(a) A second ranking legal mortgage on all the Company's immovable property situated in Maharashtra (b) A second ranking equitable mortgage of the Company's immovable assets in Karnataka (c) A second ranking charge by way of hypothecation of movable assets (d) A second ranking charge on receivables and interest in the Retention Accounts, both present and future. (e) Exclusive charge by way of pledge of equity shares of JSW Steel Limited held by JSW Energy Investments Pvt. Ltd. (demerged entity) to the extent of outstanding value of the debentures.	(a) The debenture holder have a right to reset the interest rate on 31/03/2008 and 30/03/2011 at 350 basis points over and above the yield on 5 years G-Sec as on that date, by giving 60 days advance notice. Provided that if the reset interest rate is not acceptable to the Company, the Company shall redeem the outstanding Debentures, on the Interest Reset date, without being liable to pay any prepayment penalty and/or premium thereon. (b) Subject to the point no (a) above, the Company shall have no right to redeem the outstanding Debentures in full or in part thereof, save with the prior written consent of the Debenture holders and only on such terms and conditions and on payment of charges by way of prepayment premium, which the Debenture holders at its sole discretion may choose to levy.
3	Industrial Development Bank of India (IDBI)	Loan agreement dated 27th March 1997	497.85	186.70	8.00%	40 quarterly installment from 15/07/01	Secured on a pari passu basis by (a) A first ranking legal mortgage on the	The Company shall not prepay the outstanding principal amounts in full or in part, before the due dates, except after obtaining the prior

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							Company's immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage of Company's immovable assets in Karnataka. (c) A First ranking charge by way of hypothecation of moveable assets. (d) Pledge of 42.50% of each shareholder's equity share in the Company. (d) A first ranking charge on the receivables and interest in Retention Accounts both present and future.	approval of Lead Institution (which may be granted conditionally)
4	Life Insurance Corporation of India (LIC)	Loan agreement dated 27th March 1997	249.31	93.75	8.00%	40 quarterly installment from 15/07/01	Secured on a pari passu basis by (a) A first ranking legal mortgage on the Company's immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage of	The Company shall not prepay the outstanding principal amounts in full or in part, before the due dates, except after obtaining the prior approval of Lead Institution (which may be granted conditionally)

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							Company's immovable assets in Karnataka. (c) A First ranking charge by way of hypothecation of moveable assets. (d) Pledge of 42.50% of each shareholder's equity share in the Company. (d) A first ranking charge on the receivables and interest in Retention Accounts both present and future.	
5	General Insurance Corporation of India (GIC)	Loan agreement dated 27th March 1997	33.75	14.06	8.00%	40 quarterly installment from 15/07/01	Secured on a pari passu basis by (a) A first ranking legal mortgage on the Company's immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage of Company's immovable assets in Karnataka. (c) A First ranking charge by way of hypothecation of moveable assets.	The Company shall not prepay the outstanding principal amounts in full or in part, before the due dates, except after obtaining the prior approval of Lead Institution (which may be granted conditionally)

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							(d) Pledge of 42.50% of each shareholder's equity share in the Company. (d) A first ranking charge on the receivables and interest in Retention Accounts both present and future.	
6	National Insurance Co., Ltd. (NIC)	Loan agreement dated 27th March 1997	20.25	8.44	8.00%	40 quarterly installment from 15/07/01	Secured on a pari passu basis by (a) A first ranking legal mortgage on the Company's immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage of Company's immovable assets in Karnataka. (c) A First ranking charge by way of hypothecation of moveable assets. (d) Pledge of 42.50% of each shareholder's equity share in the Company. (d) A first ranking charge on the	The Company shall not prepay the outstanding principal amounts in full or in part, before the due dates, except after obtaining the prior approval of Lead Institution (which may be granted conditionally)

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							receivables and interest in Retention Accounts both present and future.	
7	Power Finance Corporation Limited (PFC)	PFC Rupee Loan agreement dated 24th February 2003	630.68	323.86	12.25%	37 quarterly installment from 15/04/03	Secured on a pari passu basis by (a) A first ranking legal mortgage on the Company's immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage of Company's immovable assets in Karnataka. (c) A First ranking charge by way of hypothecation of moveable assets. (d) Pledge of 62% of each shareholder's equity share in the Company. (d) A first ranking charge on the receivables and interest in Retention Accounts both present and future.	(a) Interest rate will be applied based on PFCs' policy circular no. 4:7: Policy:2004-05:Cir:P&C/1 dated 13/05/2004 which, inter-alia, stipulates the acceptance of the borrower for reset of interest rate every 3 years from the date of interest restructuring. (b) The Company shall not prepay the outstanding principal amounts in full or in part, before the due dates, except after obtaining the prior approval of PFC (which may be granted conditionally)
8	State Bank of India (SBI)	Loan agreement dated 27th March	260.00	97.50	8.00%	40 quarterly installment	Secured on a pari passu basis by	The Company shall not prepay the outstanding principal amounts in

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
		1997				from 15/07/01	(a) A first ranking legal mortgage on the Company's immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage of Company's immovable assets in Karnataka. (c) A First ranking charge by way of hypothecation of moveable assets. (d) Pledge of 42.50% of each shareholder's equity share in the Company. (d) A first ranking charge on the receivables and interest in Retention Accounts both present and future.	full or in part, before the due dates, except after obtaining the prior approval of Lead Institution (which may be granted conditionally)

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
9	State Bank of Hyderabad (SBH)	SBH Rupee Loan Agreement dated 20th January 2005	197.73 81.50	118.63 55.57	6.75% 6.75%	25 quarterly installment from 15/04/05 22 quarterly installment from 15/01/06	Secured on a pari passu basis by (a) A first ranking legal mortgage on the Company's immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage of Company's immovable assets in Karnataka. (c) A first ranking charge by way of hypothecation of moveable assets. (d) A first ranking charge on the receivables and interest in Retention Accounts both present and future.	(a) At the end of the 3 year period, the lender has the right to reset interest rate. In the event the reset interest rate is not acceptable to the Company, it may prepay the entire outstanding amount of loan without any prepayment premium. (b) Subject to the point no (a) the Company shall not prepay the outstanding principal amounts in full or in part, before the due dates, except after obtaining the prior approval of SBH (which may be granted Conditionally)
10	State Bank Of Patiala (SBP)	State bank of Patiala Rupee Loan agreement dated 28th March 2005	150.00	37.50	6.75%	12 quarterly installment from 15/07/05	Secured on a pari passu basis by (a) A first ranking legal mortgage on the Company's immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage of Company's immovable	Except as mutually agreed to between Company and SBP. The Company shall not prepay the outstanding principal amounts of the SBP in full or in part for the first 24 months from the date of disbursement; thereafter the Company may prepay the outstanding loan with a prior notice of 1 month in this regard.

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							assets in Karnataka. (c) A first ranking charge by way of hypothecation of moveable assets. (d) A first ranking charge on the receivables and interest in Retention Accounts both present and future.	
11	ICICI Bank Ltd., - RTL	ICICI Rupee Facility Agreement dated 14th December 2006	3000.00	2500.00	100 Million @ 11%, 800 Million @ 12% and 1600 Million @ 13%	24 quarterly installment from 30/06/11	Secured on a pari passu basis by (a) A second ranking legal mortgage on all the Company's immovable property situated in Maharashtra (b) A second ranking equitable mortgage of the Company's immovable assets in Karnataka (c) A second ranking charge by way of hypothecation of movable assets (d) A second ranking charge on receivables and interest in the Retention Accounts, both present and future.	(a) Interest reset at the end of every 3 years from the Initial Drawdown date. (b) The Company may prepay whole or any part of the loans during the period commencing one year prior to the Interest Reset Date(s) and ending on such Interest Rest Date(s), the outing loan together with all outstanding interest and other charges and monies payable thereon without payment of prepayment premium upon providing prior irrevocable notice of 90 business days.

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							(e) Exclusive charge (including for Senior Rupee facility) by way of pledge of 94,00,000 equity shares of JSW Steel Limited held by the Company.	
12	ICICI Bank Ltd., - SRTL	ICICI Senior Rupee Facility Agreement dated 14th December 2006	3000.00	2000.00	100 Million @ 11%, 800 Million @ 12% 1100 Million @ 13%	24 quarterly installment from 30/06/11	Secured on a pari passu basis by (a) A first ranking legal mortgage on all the Company's immovable property situated in Maharashtra (b) A first ranking equitable mortgage of the Company's immovable assets in Karnataka (c) A first ranking charge by way of hypothecation of movable assets (d) A first ranking charge on receivables and interest in the Retention Accounts, both present and future. (e) Refer clause 11(e) above	(a) Interest reset at the end of every 3 years from the Initial Drawdown date. (b) The Company may prepay whole or any part of the loans during the period commencing one year prior to the Interest Reset Date(s) and ending on such Interest Rest Date(s), the outing loan together with all outstanding interest and other charges and monies payable thereon without payment of prepayment premium upon providing prior irrevocable notice of 90 business days.

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
13	**Foreign Currency Loan:** Power Finance Corporation Limited (PFC) (Refinancing of US Exim Loan)	PFC Foreign Currency Loan agreement dated 24th February 2003	1987.71 (MUSD 41.72)	700.48 (MUSD 17.49)	Six Monthly USD Libor + 2.4%+ Withholding Tax (Presently 7.70%)	31 quarterly installment from 15/04/03	Secured on a pari passu basis by (a) A first ranking legal mortgage on the Company's immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage of Company's immovable assets in Karnataka. (c) A First ranking charge by way of hypothecation of moveable assets. (d) Pledge of 62% of each shareholder's equity share in the Company. (d) A first ranking charge on the receivables and interest in Retention Accounts both present and future.	(a) At the end of the 5 year period from the date of first disbursement. b) The Company shall not prepay the outstanding principal amounts in full or in part, before the due dates, except after obtaining the prior approval of PFC (which may be granted conditionally) including levying prepayment premium.
14	**Working Capital facilities with Punjab National Bank**							
	Cash Credit.	Sanction of credit facilities dated 16th April ,2007	250.00	210.15	BPLR – 2.25% (Presently 10.25%	Principal and Interest	Secured on a pari passu basis by (a) A first ranking legal mortgage on the	
	Bills	Sanction of credit	140.00	Nil	BPLR –	Nil	Company's immovable	

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
	Discounting under LC (workable with in CC limit)	facilities dated 16th April ,2007			2.25%		property situated in Maharashtra. (b) A first ranking charge by way of	
	Letter of Credit	Sanction of credit facilities dated 16th April, 2007	50.00	0.06	Nil	Nil	equitable mortgage of Company's immovable assets in Karnataka. (c) A first ranking charge by way of	
	Bank Guarantee	Sanction of credit facilities dated 16th April, 2007	200.00	Nil	Nil	Nil	hypothecation of moveable assets. (d) A first ranking charge on the receivables and interest in Retention Accounts both present and future. (e) Counter Indemnity from the Company	

(b) JSW Energy (Vijayanagar) Limited

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
1	Industrial Development Bank of India Limited (IDBI)	Loan agreement dated 6th October 2006	3000.00	537.39	11.75% (BPLR - 150 bps)	32 quarterly installment from 01/07/09	Secured on a pari passu basis by (a) A first mortgage and charge on the Company's immovable property both present and future.	i) The Company shall prepay the outstanding principal amounts in full or in part, at any time before Final Settlement Date after giving prior written notice of 60 days quantifying the amount proposed to

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							(b) A first charge by way of hypothecation of all the Borrower's moveable properties including moveable machinery, machinery spares, equipments, tools and accessories, both present and future. (c) A first charge by way of an assignment of i) all receivables and book debts both present and future ii) the right, title and interest into and under all performance warranties, indemnities and securities iii) the right, title and interest in Retention Accounts both present and future. iv) the right, title and interest in, to and under all the Govt. Approvals, insurance policies. v) a first charge on all intangible assets including but not limited to goodwill and uncalled capital. vi) pledge of Promoters' shareholding aggregating to 51% of the total equity share capital envisaged, which shall be reduced to 26% after 2 years from COD to be created	be prepaid. Interest reset option shall be subject to payment of prepayment premium, a) if prepaid within 5 years from the date of 1st disbursement, premium @ 1.5% of the outstanding amount. b) if prepaid after 5 years from the date of 1st disbursement, premium @ 1 % of the outstanding amount. ii) The Company shall prepay the outstanding amount of Loans without any prepayment premium, in case of receipt of LD received by Company under the Project Documents in the proportion as the Debt:Equity ratio of 75:25 envisaged fort the project. iii) If the Company has surplus cash, after all the requirements under the Retention Accounts and after payment of dividends, under mutual agreement with Lenders, the Company may repay the loans to the extent of surplus cash.

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							in favour of Lenders or the Security Trustee.	
2	Punjab National Bank (PNB)	Loan agreement dated 6th October 2006	2500.00	358.09	11.25% (BPLR - 1.75%)	32 quarterly installment from 01/07/09	Secured on a pari passu basis by (a) A first mortgage and charge on the Company's immovable property both present and future. (b) A first charge by way of hypothecation of all the Borrower's moveable properties including moveable machinery, machinery spares, equipments, tools and accessories, both present and future. (c) A first charge by way of an assignment of i) all receivables and book debts both present and future ii) the right, title and interest into and under all performance warranties, indemnities and securities iii) the right, title and interest in Retention Accounts both present and future. iv) the right, title and interest in, to and under all the Govt. Approvals, insurance policies. v) a first charge on all intangible assets including but	i) The Company shall prepay the outstanding principal amounts in full or in part, at any time before Final Settlement Date after giving prior written notice of 60 days quantifying the amount proposed to be prepaid. Interest reset option shall be subject to payment of prepayment premium, a) if prepaid within 5 years from the date of 1st disbursement, premium @ 1.5% of the outstanding amount. b) if prepaid after 5 years from the date of 1st disbursement, premium @ 1 % of the outstanding amount. ii) The Company shall prepay the outstanding amount of Loans without any prepayment premium, in case of receipt of LD received by Company under the Project Documents in the proportion as the Debt :Equity ratio of 75:25 envisaged fort the project. iii) If the Company has surplus cash, after all the requirements under the Retention Accounts and after payment of dividends, under mutual agreement with Lenders, the Company may repay the loans

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							not limited to goodwill and uncalled capital. vi) pledge of Promoters' shareholding aggregating to 51% of the total equity share capital envisaged, which shall be reduced to 26% after 2 years from COD to be created in favour of Lenders or the Security Trustee.	to the extent of surplus cash.
3	Syndicate Bank (SB)	Loan agreement dated 6th October 2006	2500.00	358.09	11.25% (PLR - 1.75%)	32 quarterly installment from 01/07/09	Secured on a pari passu basis by (a) A first mortgage and charge on the Company's immovable property both present and future. (b) A first charge by way of hypothecation of all the Borrower's moveable properties including moveable machinery, machinery spares, equipments, tools and accessories, both present and future. (c) A first charge by way of an assignment of i) all receivables and book debts both present and future ii) the right, title and interest into and under all performance warranties,	i) The Company shall prepay the outstanding principal amounts in full or in part, at any time before Final Settlement Date after giving prior written notice of 60 days quantifying the amount proposed to be prepaid. Interest reset option shall be subject to payment of prepayment premium, a) if prepaid within 5 years from the date of 1st disbursement, premium @ 1.5% of the outstanding amount. b) if prepaid after 5 years from the date of 1st disbursement, premium @ 1 % of the outstanding amount. ii) The Company shall prepay the outstanding amount of Loans without any prepayment premium, in case of receipt of LD received by Company under the Project

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							indemnities and securities iii) the right, title and interest in Retention Accounts both present and future. iv) the right, title and interest in, to and under all the Govt. Approvals, insurance policies. v) a first charge on all intangible assets including but not limited to goodwill and uncalled capital. vi) pledge of Promoters' shareholding aggregating to 51% of the total equity share capital envisaged, which shall be reduced to 26% after 2 years from COD to be created in favour of Lenders or the Security Trustee.	Documents in the proportion as the Debt :Equity ratio of 75:25 envisaged fort the project. iii) If the Company has surplus cash, after all the requirements under the Retention Accounts and after payment of dividends, under mutual agreement with Lenders, the Company may repay the loans to the extent of surplus cash.
4	Canara Bank (CB)	Loan agreement dated 6th October 2006	2000.00	286.29	11.25% (BPLR - 1.75%)	32 quarterly installment from 01/07/09	Secured on a pari passu basis by (a) A first mortgage and charge on the Company's immovable property both present and future. (b) A first charge by way of hypothecation of all the Borrower's moveable properties including moveable machinery, machinery spares, equipments, tools and	i) The Company shall prepay the outstanding principal amounts in full or in part, at any time before Final Settlement Date after giving prior written notice of 60 days quantifying the amount proposed to be prepaid. Interest reset option shall be subject to payment of prepayment premium, a) if prepaid within 5 years from the date of 1st disbursement, premium @ 1.5% of the

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							accessories, both present and future. (c) A first charge by way of an assignment of i) all receivables and book debts both present and future ii) the right, title and interest into and under all performance warranties, indemnities and securities iii) the right, title and interest in Retention Accounts both present and future. iv) the right, title and interest in, to and under all the Govt. Approvals, insurance policies. v) a first charge on all intangible assets including but not limited to goodwill and uncalled capital. vi) pledge of Promoters' shareholding aggregating to 51% of the total equity share capital envisaged, which shall be reduced to 26% after 2 years from COD to be created in favour of Lenders or the Security Trustee.	outstanding amount. b) if prepaid after 5 years from the date of 1st disbursement, premium @ 1 % of the outstanding amount. ii) The Company shall prepay the outstanding amount of Loans without any prepayment premium, in case of receipt of LD received by Company under the Project Documents in the proportion as the Debt :Equity ration of 75:25 envisaged fort the project. iii) If the Company has surplus cash, after all the requirements under the Retention Accounts and after payment of dividends, under mutual agreement with Lenders, the Company may repay the loans to the extent of surplus cash.
5	Vijaya Bank (VB)	Loan agreement dated 6th October 2006	1000.00	143.65	11.25% (BPLR -	32 quarterly installment from	Secured on a pari passu basis by (a) A first mortgage and	i) The Company shall prepay the outstanding principal amounts in full or in part, at any time before

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
					1.75%)	01/07/09	charge on the Company's immovable property both present and future. (b) A first charge by way of hypothecation of all the Borrower's moveable properties including moveable machinery, machinery spares, equipments, tools and accessories, both present and future. (c) A first charge by way of an assignment of i) all receivables and book debts both present and future ii) the right, title and interest into and under all performance warranties, indemnities and securities iii) the right, title and interest in Retention Accounts both present and future. iv) the right, title and interest in, to and under all the Govt. Approvals, insurance policies. v) a first charge on all intangible assets including but not limited to goodwill and uncalled capital. vi) pledge of Promoters' shareholding aggregating to 51% of the total equity share	Final Settlement Date after giving prior written notice of 60 days quantifying the amount proposed to be prepaid. Interest reset option shall be subject to payment of prepayment premium, a) if prepaid within 5 years from the date of 1st disbursement, premium @ 1.5% of the outstanding amount. b) if prepaid after 5 years from the date of 1st disbursement, premium @ 1 % of the outstanding amount. ii) The Company shall prepay the outstanding amount of Loans without any prepayment premium, in case of receipt of LD received by Company under the Project Documents in the proportion as the Debt::Equity ratio of 75:25 envisaged fort the project. iii) If the Company has surplus cash, after all the requirements under the Retention Accounts and after payment of dividends, under mutual agreement with Lenders, the Company may repay the loans to the extent of surplus cash.

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							capital envisaged, which shall be reduced to 26% after 2 years from COD to be created in favour of Lenders or the Security Trustee.	
6	Oriental Bank of Commerce (OBC)	Loan agreement dated 6th October 2006	1000.00	143.65	11.25% (PLR - 2%)	32 quarterly installment from 01/07/09	Secured on a pari passu basis by (a) A first mortgage and charge on the Company's immovable property both present and future. (b) A first charge by way of hypothecation of all the Borrower's moveable properties including moveable machinery, machinery spares, equipments, tools and accessories, both present and future. (c) A first charge by way of an assignment of i) all receivables and book debts both present and future ii) the right, title and interest into and under all performance warranties, indemnities and securities iii) the right, title and interest in Retention Accounts both present and future. iv) the right, title and interest in, to and under all the Govt.	i) The Company shall prepay the outstanding principal amounts in full or in part, at any time before Final Settlement Date after giving prior written notice of 60 days quantifying the amount proposed to be prepaid. Interest reset option shall be subject to payment of prepayment premium, a) if prepaid within 5 years from the date of 1st disbursement, premium @ 1.5% of the outstanding amount. b) if prepaid after 5 years from the date of 1st disbursement, premium @ 1 % of the outstanding amount. ii) The Company shall prepay the outstanding amount of Loans without any prepayment premium, in case of receipt of LD received by Company under the Project Documents in the proportion as the Debt :Equity ratio of 75:25 envisaged fort the project. iii) If the Company has surplus cash, after all the requirements under the Retention Accounts and

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							Approvals, insurance policies. v) a first charge on all intangible assets including but not limited to goodwill and uncalled capital. vi) pledge of Promoters' shareholding aggregating to 51% of the total equity share capital envisaged, which shall be reduced to 26% after 2 years from COD to be created in favour of Lenders or the Security Trustee.	after payment of dividends, under mutual agreement with Lenders, the Company may repay the loans to the extent of surplus cash.
7	Dena Bank (DB)	Loan agreement dated 6th October 2006	450.00	64.49	11.50% (BPLR - 1.75%)	32 quarterly installment from 01/07/09	Secured on a pari passu basis by (a) A first mortgage and charge on the Company's immovable property both present and future. (b) A first charge by way of hypothecation of all the Borrower's moveable properties including moveable machinery, machinery spares, equipments, tools and accessories, both present and future. (c) A first charge by way of an assignment of i) all receivables and book debts both present and future	i) The Company shall prepay the outstanding principal amounts in full or in part, at any time before Final Settlement Date after giving prior written notice of 60 days quantifying the amount proposed to be prepaid. Interest reset option shall be subject to payment of prepayment premium, a) if prepaid within 5 years from the date of 1st disbursement, premium @ 1.5% of the outstanding amount. b) if prepaid after 5 years from the date of 1st disbursement, premium @ 1 % of the outstanding amount. ii) The Company shall prepay the outstanding amount of Loans

S. No.	Lender	Loan Documentation	Loan Amt (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							ii) the right, title and interest into and under all performance warranties, indemnities and securities iii) the right, title and interest in Retention Accounts both present and future. iv) the right, title and interest in, to and under all the Govt. Approvals, insurance policies. v) a first charge on all intangible assets including but not limited to goodwill and uncalled capital. vi) pledge of Promoters' shareholding aggregating to 51% of the total equity share capital envisaged, which shall be reduced to 26% after 2 years from COD to be created in favour of Lenders or the Security Trustee.	without any prepayment premium, in case of receipt of LD received by Company under the Project Documents in the proportion as the Debt :Equity ratio of 75:25 envisaged fort the project. iii) If the Company has surplus cash, after all the requirements under the Retention Accounts and after payment of dividends, under mutual agreement with Lenders, the Company may repay the loans to the extent of surplus cash.

Summary of Secured Loans as on 30th September 2007

Sl.	Company	Rs. million
1	JSW Energy Limited	7,305.90
2.	JSW Energy (Vijayanagar) Limited	1,891.65
	Total	**9,197.55**

JSW ENERGY LIMITED

ANNEXURE XVI

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP, IFRS AND U.S. GAAP

The Company's financial statements are prepared in conformity with Indian GAAP on an annual basis. No attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus ("Prospectus") to any other principles or to base it on any other standards.

The areas in which differences between Indian GAAP vis-à-vis IFRS and U.S. GAAP could be significant to the Company's consolidated balance sheet and consolidated statement of profit and loss are summarised below. Potential investors should not construe the summary to be exhaustive or complete and should consult their own professional advisers for their fuller understanding and impact on the financial statements set out in this Prospectus.

Further, the Company has not prepared financial statements in accordance with IFRS or U.S. GAAP. Accordingly, there can be no assurance that the summary is complete, or that the differences described would give rise to the most material differences between Indian GAAP, U.S. GAAP and IFRS. In addition, the Company cannot presently estimate the net effect of applying either IFRS or U.S. GAAP on the results of the Company's operations or financial position, which may result in material adjustments when compared to Indian GAAP.

The summary includes various IFRS, U.S. GAAP and Indian GAAP pronouncements issued for which the mandatory application dates are later than the date of this Prospectus. Indian GAAP comprises accounting standards issued by the Institute of Chartered Accountants of India and certain provisions of Listing Agreements with the stock exchanges of India. In certain cases, the Indian GAAP description also refers to Guidance Notes issued by the Institute of Chartered Accountants of India that are recommendatory but not mandatory in nature and also certain accounting treatments specified by a Court Order in a Scheme of Amalgamation/Arrangement.

Subject	IFRS	U.S. GAAP	Indian GAAP
Historical cost	Uses historical cost, but intangible assets, property plant and equipment (PPE) and investment property may be revalued. Derivatives, biological assets and certain securities must be revalued.	No revaluations except some securities and derivatives at fair value.	Uses historical cost, but property, plant and equipment may be revalued. No comprehensive guidance on derivatives and biological assets.
First-time adoption of accounting frameworks	Full retrospective application of all IFRSs effective at the reporting date for an entity's first IFRS financial statements, with some optional exemptions and limited mandatory exceptions.	First-time adoption of U.S. GAAP requires retrospective application. In addition, particular standards specify treatment for first-time adoption of those standards.	Similar to U.S. GAAP.
Basis of presentation	Financial statements must comply with IFRS.	Financial statements must comply with U.S.	Financial statements must comply with Indian GAAP.

Subject	IFRS	U.S. GAAP	Indian GAAP
		GAAP and if a public company, the U.S. Securities and Exchange Commission's (the "SEC") rules, regulations and financial interpretations. Generally, non-consolidated financial statements are not presented.	
Contents of financial statements — General	Comparative two years' balance sheets, income statements, cash flow statements, changes in shareholders' equity and accounting policies and notes.	Similar to IFRS, except three years required for public companies for all statements except balance sheet where two years are provided.	
Balance sheet	Does not prescribe a particular format; entities should present a classified balance sheet. Assets and liabilities should be disclosed in an order which reflects their relative liquidity with current and non-current classification. Certain items must be presented on the face of the balance sheet.	Does not prescribe a particular format; entities should present a classified balance sheet. Items on the face of the balance sheet are generally presented in decreasing order of liquidity with current and non-current classification. Public companies must follow SEC guidelines regarding minimum disclosure requirements.	
		Restricted accounts are disclosed separately on the face of the balance sheet.	
Income statement	Does not prescribe a standard format, although expenditure must be presented in one of two formats (function or nature). Certain items must be presented on the face of the income statement.	Present as either a single-step or multiple-step format. Expenditures must be presented by function.	

Subject	IFRS	U.S. GAAP	Indian GAAP
Cash flow statements — format and method	Standard headings, but limited flexibility of contents. Use direct or indirect method.	Similar headings to IFRS, but more specific guidance for items included in each category. Use direct or indirect method.	
Cash flow statements — definition of cash and cash equivalents	Cash includes overdrafts and cash equivalents with original short-term maturities (less than three months).	Cash excludes overdrafts but includes cash equivalents with original short-term maturities of three months or less. Restricted or encumbered cash is not included in cash and cash equivalents.	
	Cash and cash equivalents are disclosed on the face of the balance sheet.	Cash and cash equivalents are disclosed on the face of the balance sheet.	
Cash flows — classification of specific items	(i) Interest and dividend paid — Operating or financing activities.	(i) Interest paid, interest received and dividend received — Operating activities. (direct method). Under the indirect method will be show as the change in the asset/liability or a as supplemental cash disclosure.	(i) Interest and dividend paid — Financing activities.
	(ii) Interest and dividend received — Operating or investing activities.	(ii) Dividends paid — Financing activities.	(ii) Interest and dividend received — Investing activities.
	(iii) Taxes paid — Operating — unless specific identification with financing or investing.	(iii) Taxes paid — Operating activities. Supplementary disclosure required.	(iii) Taxes paid — Similar to IFRS.
Statement of changes in Shareholders' Equity	The statement must be presented as a primary statement.	Similar to IFRS. The information may be included in the notes.	No separate statement required. However, any adjustments to equity and reserve account are shown in the schedules/notes accompanying the financial

Subject	IFRS	U.S. GAAP	Indian GAAP
			statements.
	The statement shows capital transactions with owners, the movement in accumulated profit and a reconciliation of all other components of equity.		
Comprehensive income	The total of gains and losses recognised in the period comprises net income and the following gains and losses recognised directly in equity:	Comprehensive income is divided into net income and other comprehensive income.	
	fair value gains (losses) on land and buildings, available for sale investments and certain financial instruments; foreign exchange translation differences;	An enterprise that has no items of other comprehensive income in any period presented is not required to report comprehensive income.	
	the cumulative effect of changes in accounting policy; and changes in fair values on certain financial instruments if designated as cash flow hedges, net of tax, and cash flow hedges reclassified to income and/or the relevant hedged asset/liability.	Items included in other comprehensive income shall be classified based on their nature. For example, under existing accounting standards, other comprehensive income shall be classified separately into: cumulative foreign currency translation adjustments; minimum pension liability adjustments; changes in the fair value of cash flow and net investment hedges; and unrealised gains and losses on certain investments in debt and equity	No concept of comprehensive income. However, certain adjustments are allowed through reserves where prescribed by accounting standards, statute or is done in accordance with industry practices and court orders.

Subject	IFRS	U.S. GAAP	Indian GAAP
		securities.	
	Recognised gains and losses can be presented either in the notes or separately highlighted within the primary statement of changes in shareholders' equity.		
Correction of fundamental errors	Restatement of comparatives is mandatory.	Similar to IFRS.	Include effect in the current year income statement.
			The nature and amount of prior period items should be separately disclosed in the statement of profit and loss in a manner that their impact on current profit or loss can be perceived.
Changes in accounting policy	Restate comparatives and prior-year opening retained earnings.	Generally include effect in the current year income statement through the recognition of a cumulative effect adjustment. Disclose pro forma comparatives. Retrospective adjustments for specific items.	Include effect in the income statement for the period in which the change is made except as specified in certain standards (transitional provision) where the change during the transition period resulting from adoption of the standard has to be adjusted against opening retained earnings and the impact needs to be disclosed.
		Recent amendment requires accounting similar to IFRS. The new amendment is applicable to accounting changes that are made in fiscal years beginning after 15 December 2005.	
Contents of financial statements — Disclosures	In general, IFRS has extensive disclosure requirements. Specific items include, among others: the fair values of each class of financial assets and liabilities,	In general, U.S. GAAP has extensive disclosure requirements. Areas where U.S. GAAP requires specific additional disclosures include, among others;	Generally, disclosures are not extensive as compared to IFRS and U.S. GAAP. Disclosures are driven by the requirements of the Companies Act and the accounting standards.

Subject	IFRS	U.S. GAAP	Indian GAAP
	customer or other concentrations of risk, income taxes and pensions.	concentrations of credit risk, segment reporting, significant customers and suppliers, use of estimates, income taxes, pensions, and comprehensive income.	
	Other disclosures include amounts set aside for general risks, contingencies and commitments and the aggregate amount of secured liabilities and the nature and carrying amount of pledged assets.		
Consolidation	The consolidated financial statements include all enterprises that are controlled by the parent. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than one half of the voting power of an enterprise unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control can also exist in certain situations where the parent owns one half or less of the voting power of an enterprise.	A company must first evaluate whether the potential subsidiary is a variable interest entity ("VIE") and whether the Company has a variable interest in an entity. A variable interest changes with a change in an entity's net asset value and is the means through which expected losses are absorbed and expected residual returns are received. If the entity is a VIE, the Company must evaluate the potential subsidiary under the FIN 46R Consolidation of Variable Interest Entities FIN 46R addresses consolidation of VIE's in which the Company has a primary obligation to absorb losses or receive residual returns, and the equity investment at hand is not sufficient to permit the entity to finance its	Consolidation is required when there is a controlling interest, directly or indirectly through subsidiaries, by virtue of holding majority voting shares or control over board of directors

Subject	IFRS	U.S. GAAP	Indian GAAP
		activities without additional subordinated financial support, regardless of ownership interest.	
		SFAS 94 states that all majority-owned subsidiaries (i.e., all companies in which a parent has a controlling financial interest through direct or indirect ownership of a majority voting interest) must be consolidated unless control does not rest with the majority owner.	
Business Combinations	All business combinations are treated as acquisitions. Assets and liabilities acquired are measured at their fair values. Pooling of interest method is prohibited. Goodwill is capitalised but not amortised. It is tested for impairment at least annually at the cash-generating unit level. After re-assessment of respective fair values of net assets acquired, any excess of acquirer's interest in the net fair values of acquirer's identifiable assets is recognised immediately in the income statement.	Similar to IFRS, except specific rules for acquired in-process research and development (generally expensed) and contingent liabilities. Similar to IFRS; however, impairment measurement model is different. In respect of any excess of acquirer's interest in the net fair values of acquirer's identifiable assets, first reduce proportionately the fair values assigned to non-current assets (with certain exceptions) and any remaining excess thereafter is recognised in the income statement immediately as an extraordinary gain.	On consolidation, for an entity acquired and held as an investment, treated as acquisition. On amalgamation of an entity, either uniting of interests or acquisition. On a business acquisition (i.e., assets and liabilities only) treated as acquisition. On consolidation, the assets and liabilities are incorporated at their existing carrying amounts. On amalgamation, they may be incorporated at their existing carrying amounts or, alternatively, the consideration is allocated to individual identifiable assets and liabilities on the basis of their fair values. On a business acquisition, they may be incorporated at their fair values or value of surrendered assets.
			Goodwill arising under purchase method of accounting is capitalised and

Subject	IFRS	U.S. GAAP	Indian GAAP
			amortised over useful life not exceeding five years, unless a longer period can be justified. In case of goodwill arising on consolidation, no specific guidance for amortisation. No specific guidance for impairment of goodwill arising on acquisition or consolidation.
			Any excess of acquirer's interest in the net fair values of acquirer's identifiable assets is recognised as capital reserve, which is neither amortised nor available for distribution to shareholders. However, in case of an amalgamation accounted under the purchase method, the fair value of intangible assets with no active market is reduced to the extent of capital reserve, if any, arising on the amalgamation.
Revenue recognition — General Criteria	Based on several criteria, which require the recognition of revenue when risks and rewards have been transferred and the revenue can be measured reliably.	Revenue is generally realised or realisable and earned when all of the four revenue recognition criteria are met: persuasive evidence of an arrangement exists; delivery has occurred or services have been rendered; the seller's price to the buyer is fixed or determinable; and collectibility is reasonably assured.	Similar to IFRS. However, under IFRS and U.S. GAAP, the revenue from auction sale would be segregated between recovery of outstanding ground rent and costs; and former classified as ground rent and excess recovery after adjusting recoverable costs as other income.
		U.S. GAAP generally requires title transfer prior to revenue recognition and provides extensive detailed guidance for specific	

Subject	IFRS	U.S. GAAP	Indian GAAP
		transactions.	
Interest expense	Recognised on an accrual basis. Effective yield method used to amortise non-cash finance charges.	Similar to IFRS.	Similar to IFRS, however, practice varies with respect to recognition of discounts, premiums and costs of borrowings.
Employee benefits — Defined benefit plans	Similar to U.S. GAAP conceptually, although several differences in details.	For gratuity plans, must use the projected unit credit method to determine benefit obligation. Under FASB 158, recognition of funded status is to take effect for fiscal years ending after December 15, 2006, for publicly traded entities. These entities are required to recognize funded status of defined pension plans in the statement of financial position, which was previously being disclosed in the footnotes of the registrants.	Liability for a gratuity plan and compensated absences, which are defined benefit obligations, are accrued based on an actuarial valuation. Actuarial gains or losses are recognized immediately in the statement of income.
		An amount equal to the "net periodic pension cost" is to be charged to the statement of financial performance regardless of whether contributions are made during the period. The net periodic pension cost is an actuarially determined amount equal to:	
		1 the present value of future benefits which have accrued during the period; and	
		2 an interest cost component related to the increase in the projected benefit obligation	

Subject	IFRS	U.S. GAAP	Indian GAAP
		due to the passage of time; less	
		3 estimated earnings on invested assets segregated to provide future benefits; and	
		4 an amortisation of previously unrecognised prior service costs, transition assets/obligations and experience gains/losses.	
		If contributions differ from the net pension cost, an asset representing prepaid pension costs or a liability for unfunded accrued pension costs arises and is recorded in the statement of financial position.	
	Recognition of minimum pension liability is not required.	Recognition of minimum pension liability is required when the accumulated benefit obligation exceeds the fair value of the plan assets and the amount of the accrued liability.	Recognition of minimum pension liability is not required.
Employee benefits — Compensated absences	Discounting not prohibited when computing liability for compensated absences.	Similar to IFRS.	Determine liability for compensated absences based on an actuarial valuation.
Employee share compensation	Recognise expense for services acquired. The corresponding amount will be recorded either as a liability or as an increase in equity,	FAS 123R which is effective for annual periods beginning 15 June 2005 has now dispensed with the intrinsic value method	It is mandatory only for listed entities. Employee stock options granted to the employees under stock option schemes are evaluated as per the

Subject	IFRS	U.S. GAAP	Indian GAAP
	depending on whether the transaction is determined to be cash or equity-settled. The amount to be recorded is measured at the fair value of the shares or share options granted.	and going forward, all entities would have to use the fair value model. FAS 123 R is applicable to both public and non-public entities.	accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India. Accordingly, the excess of the fair value of the stock option as on the date of grant of options is charged to the Profit and Loss Account on straight-line-method over the vesting period of the options. The fair value of the options is measured on the basis of an independent valuation performed or the market price in respect of stock options granted.
Capital issue expenses	The transaction costs of an equity transaction should be accounted for as a deduction from equity, net of any related income tax benefit. The costs of a transaction which fails to be completed should be expensed.	May be set off against the realised proceeds of share issue	May be set off against the securities premium account
Property, Plant & Equipment	Use historical cost or revalued amounts. Regular valuations of entire classes of assets are required, when revaluation option is chosen.	PP&E is recorded at historical acquisition cost. Revaluations are not permitted.	Use historical cost or revalued amounts. On revaluation, an entire class of assets is revalued, or selection of assets is made on systematic basis. No current requirement on frequency of valuation.
Capitalisation of borrowing costs	Permitted for qualifying assets, but not required.	Required. FAS 34 requires interest capitalisation only to the extent that it is an acquisition cost. Accordingly, real estate projects under development are qualifying assets; however, real estate held for future development or	Required. Accounting Standard ("AS") 16, Borrowing Costs, defines the term 'qualifying asset' as "an asset that necessarily takes a substantial period of time to get ready for its intended use or sale". The following assets ordinarily take twelve months

Subject	IFRS	U.S. GAAP	Indian GAAP
		sale is not. FAS 34, par. 11 states that interest should be capitalised on land expenditures only when development activities are in progress. Assets qualifying for interest capitalisation include real estate developments intended for sale or lease that are constructed as discrete projects. Land that is not undergoing activities necessary to prepare it for its intended use does not qualify for capitalisation. When development activities are undertaken, however, expenditures to acquire land qualify for interest capitalisation while the development activities are in process. If the resulting asset is a structure, the interest capitalised on land expenditures becomes part of the cost of the structure; if the resulting asset is developed land, the capitalised interest is part of the cost of the land. SFAS No. 34 provides guidance on determining the appropriate amount of interest to be capitalised.	or more to get ready for intended use or sale unless the contrary can be proved by the enterprise: (i) assets that are constructed or otherwise produced for an enterprise's own use, e.g., assets constructed under major capital expansions; and (ii) assets intended for sale or lease that are constructed or otherwise produced as discrete projects (for example, ships or real estate developments).
Depreciation and Amortisation	Allocated on a systematic basis to each accounting period over the estimated useful life of the asset. Estimated useful life should be reviewed every year. Intangible assets with indefinite life are	Similar to IFRS.	Depreciation is provided at the rates specified in Schedule XIV of the Companies Act. There is no concept of indefinite life intangible assets.

Subject	IFRS	U.S. GAAP	Indian GAAP
	not amortised but are tested for impairment annually.		
	Impairment loss is recorded in the income statement. Reversal of loss is permitted in certain cases.	Impairment loss is recorded in the income statement as a separate line item - Reversals of impairment loses are prohibited.	
Leases – classification	A lease is a finance lease if substantially all risks and rewards of ownership are transferred. Substance rather than form is important.	Similar to IFRS, but with more extensive form-driven requirements. Specific rules must be met to record a finance or capital lease a prescribed under FASB 13	Similar to IFRS.
Leases - lessor accounting	Record amounts due under finance leases as a receivable. Allocate gross earnings to give constant rate of return based on (pre-tax) net investment method.	Similar to IFRS, but with specific rules for leveraged leases as prescribed under FAS 13.	Similar to IFRS.
Leases - lessee accounting	Record finance leases as asset and obligation for future rentals. Depreciate over useful life of asset. Apportion rental payments to give constant interest rate on outstanding obligation. Charge operating lease rentals on straight-line basis.	Similar to IFRS.	Similar to IFRS.
Leases — lessee accounting: sale and leaseback transactions	For a finance lease, defer and amortise profit arising on sale and finance leaseback. If an operating lease arises, profit recognition depends on sale proceeds compared to fair value of the asset. Consider substance/linkage of the transactions.	Timing of profit and loss recognition depends on whether seller relinquishes substantially all or a minor part of the use of the asset. Immediately recognise losses. Consider specific strict criteria if a property transaction.	Similar to IFRS.

Subject	IFRS	U.S. GAAP	Indian GAAP
Investments	Investments in are classified as held-to maturity, available-for-sale or held trading at acquisition.	Similar to IFRS but no option to classify all financial assets "at fair value through profit or loss".	Long-term investments are carried at cost (with provision for other than temporary diminution in value).
	Investments classified as held-to-maturity are recorded at amortised cost less impairment, if any. Realised gains and losses are reported in earnings.	Investments in listed equity securities can only be classified as available for sale or as trading.	Current investments carried at lower of cost or fair value.
	Investments classified as available-for-sale are reported at fair value. Unrealised gains and losses on the change in fair value are reported in equity, less impairment, if any.	Investments in unlisted equity securities are recorded at cost less impairment, if any.	
	Investments classified as trading are reported at fair value with unrealised gains and losses included in earnings.		
	There is an option in IFRS to classify any financial asset "at fair value through profit or loss". Changes in fair values in respect of such securities are recognised in the income statement. This is an irrevocable option to classify a financial asset at fair value through profit or loss.		
	Generally, in a non-consolidated financial statements, investment in subsidiary is accounted under the equity method.	Similar to IFRS.	In a non-consolidated financial statements, investment in subsidiary is carried at cost less impairment, if any.
Foreign currency	Transactions in foreign currency are accounted	Similar to IFRS.	Similar to IFRS, except for the following:

Subject	IFRS	U.S. GAAP	Indian GAAP
transactions	for at the exchange rate prevailing on the transaction date. Foreign currency assets and liabilities are restated at the year-end exchange rates.		exchange difference arising on repayment/restatement of liabilities incurred prior to 1 April 2004 for the purposes of acquiring fixed assets, is adjusted in the carrying amount of the respective fixed assets; and exchange difference arising on repayment/restatement of liabilities incurred on or after 1 April 2004 but before 1 April 2007 for the purposes of acquiring fixed assets from a country outside India, is adjusted in the carrying amount of the respective fixed assets.
			The amounts so adjusted are depreciated over the remaining useful life of the respective fixed assets.
Provisions	Record the provisions relating to present obligations from past events if outflow of resources is probable and can be reliably estimated.	Similar to IFRS Rules for specific situations (including employee termination costs, environmental liabilities and loss contingencies).	Similar to IFRS.
	Discounting required if effect is material.	Discounting required only when timing of cash flows is fixed.	Discounting is not permitted.
Contingent Assets	A possible asset that arise from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the entity's control. The item is recognised as an asset when the realisation of the associated benefit such as an insurance recovery, is virtually	Contingent assets are recognised, when realised, generally upon receipt of consideration. However, there are very strict rules under FASB 5 that govern contingent gains. Usually such gains are disallowed.	Similar to IFRS, except that certain disclosures as specified in IFRS are not required.

Subject	IFRS	U.S. GAAP	Indian GAAP
	certain.		
Contingent liability	A possible obligation whose outcome will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the entity's control. It can also be a present obligation that is not recognised because it is not probable that there will be an outflow of economic benefits, or the amount of the outflow cannot be reliably measured. Contingent liabilities are disclosed unless the probability of outflows is remote.	An accrual for a loss contingency is recognised if it is probable (defined as likely) that there is a present obligation resulting from a past event and an outflow of economic resources is reasonably estimable. If a loss is probable but the amount is not estimable, the low end of a range of estimates is recorded. Contingent liabilities are disclosed unless the probability of outflows is remote.	Similar to IFRS. Disclosure may be limited compared to US GAAP and IFRS.
Debt issue costs	Permits, but does not require, direct incremental costs of issuing debt to be deferred as an asset and amortised as an adjustment to yield.	Debt issue costs should be deferred as an asset and amortised as an adjustment to yield. Amortisation should be done based on the interest method, but other methods may be used if the results are not materially different from the interest method.	Debt issue costs are expensed as incurred.
Dividends	Dividends are recorded as liabilities when declared.	Similar to IFRS.	Dividends are recorded as provisions when proposed.
Deferred income taxes	Use full provision method (some exceptions), driven by balance sheet temporary differences. Recognise deferred tax assets if recovery is probable. Deferred tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by	Deferred income tax assets and liabilities are determined using the balance sheet method. The net deferred tax asset or liability is based on temporary differences between the book and tax bases of assets and liabilities, and recognises enacted changes in tax rates and laws. U.S.	Deferred tax assets and liabilities should be recognised for all timing differences subject to consideration of prudence in respect of deferred tax assets. Where an enterprise has unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets should be recognised only to the extent that there is virtual

Subject	IFRS	U.S. GAAP	Indian GAAP
	the balance sheet date.	GAAP permits deferred tax assets to be recognised for any operating loss carry forwards to the extent that it is more likely than not that they will be realised. A valuation allowance should be recorded against deferred tax assets when it is determined that realisation of the deferred tax asset is less than more likely than not. The FASB recently issued FIN 48, "Accounting for Uncertainty in Income Taxes." FIN 48 which establishes the criteria than an individual tax position would have to meet for recognition in the financial statements. FIN 48 applies to all tax positions that are accounted for under FAS 109. The term tax position includes, but is not limited to the following: • a decision not to file a tax return in a jurisdiction • the allocation of income between jurisdiction • the characterization of income in the tax return • decision to exclude taxable income in the tax return • decision to classify a transaction, entity, or	certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is certain that such previously unrecognised deferred tax assets will be realised. Deferred tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the balance sheet date.

Subject	IFRS	U.S. GAAP	Indian GAAP
		other position as tax-exempt in the tax return. A separate measurement step is to be taken to determine the amount of tax benefit to be recorded for financial statement purposes, but only if the more-likely-than-not recognition threshold is met, and the recorded tax benefit will equal the largest amount of tax benefit that is greater than 50% likely being realized upon ultimate settlement with a tax authority.	
Measurement of derivative instruments and hedging activities	Measure derivatives and hedge instruments at fair value. Recognise the changes in fair value in the income statement, except for effective cash flow hedges, where the changes are deferred in equity until effect of the underlying transaction is recognised in the income statement. Ineffective portions of hedges are recognised in the income statement. IFRS requires extensive documentation and effectiveness testing to obtain hedge accounting.	Similar to IFRS, except no 'basis adjustment' on cash flow hedges of forecast transactions.	Derivatives are initially measured at cost. However, there is no comprehensive guidance for derivative accounting.
	Gains/losses from hedge instruments that are used to hedge forecast transaction may be included in cost of non-financial asset/liability (basis adjustment).		

Subject	IFRS	U.S. GAAP	Indian GAAP
Fringe Benefits Tax	Fringe Benefits Tax is included as part of the related expense (fringe benefit) which gives rise to incurrence of the tax.	Similar to IFRS.	Fringe Benefits Tax should be disclosed as a separate item after determining profit before tax on the face of the profit and loss account for the period in which the related fringe benefits are recognised.
Derecognition of financial assets	Derecognise financial assets based on risks and rewards first; control is secondary test.	Derecognise based on control. Requires legal isolation of assets even in bankruptcy.	No specific guidance. In general, derecognise financial assets based on risks and rewards of ownership.
			A guidance note issued by ICAI on securitisation requires derecognition based on control.
Financial liabilities – classification	Classify capital instruments depending on substance of the issuer's obligations. Mandatorily redeemable preference shares classified as liabilities.	Where an instrument is not a share, classify as liability when obligation to transfer economic benefit exists. Similar to IFRS.	No specific guidance. In practice, classification is based on legal form rather than substance. All preference shares are shown separately as share capital under shareholders' funds.
Derecognition of financial liabilities	Derecognise liabilities when extinguished. The difference between the carrying amount and the amount paid is recognised in the income statement. IFRS uses 10% threshold for differentiating modification in the terms from extinguishment of liabilities	Similar to IFRS.	No specific guidance but practice is similar to IFRS. No 10% criteria is specified.
Capital instruments - purchase of own shares	Show as deduction from equity.	Similar to IFRS.	Purchase of own shares are permitted under limited circumstances subject to the legal requirements stipulated in the Companies Act. On purchase, such shares are required to be cancelled i.e. cannot be kept as treasury stock.
Functional	Currency of primary	Similar to IFRS.	Does not define functional

Subject	IFRS	U.S. GAAP	Indian GAAP
currency definition	economic environment in which entity operates.		currency. Assumes an entity normally uses the currency of the country in which it is domiciled in presenting its financial statements.
Financial currency – determination	If indicators are mixed and functional currency is not obvious, use judgement to determine the functional currency that most faithfully represents the economic results of the entity's operations by focusing on the currency of the economy that determines the pricing of transactions (not the currency in which transactions are denominated).	Similar to IFRS; however, no specific hierarchy of factors to consider. Generally the currency in which the majority of revenues and expenses are settled.	Does not require determination of functional currency. Assumes an entity normally uses the currency of the country in which it is domiciled in presenting its financial statements. If a different currency is used, requires disclosure of the reason for using a different currency.
Earnings per share – diluted	Use weighted average potential dilutive shares as denominator for diluted EPS.	Similar to IFRS	Similar to IFRS.
	Use 'treasury share' method for share options/warrants.		
Post balance sheet events	Adjust the financial statements for subsequent events, providing evidence of conditions at balance sheet date and materially affecting amounts in financial statements (adjusting events). Disclosing non-adjusting events.	Similar to IFRS.	Similar to IFRS. However, non-adjusting events are not required to be disclosed in financial statements but are disclosed in report of approving authority e.g. Directors' Report.
Related Party Disclosures	There is no specific requirement in IFRS to disclose the name of the related party (other than the ultimate parent entity). There is a requirement to disclose the amounts involved in a	The nature and extent of any transactions with all related parties and the nature of the relationship must be disclosed, together with the amounts involved. Unlike IFRS, all material	The scope of parties covered under the definition of related party could be less than under IFRS or U.S. GAAP. Unlike IFRS, the name of the related party is required to be disclosed.

Subject	IFRS	U.S. GAAP	Indian GAAP
	transaction, as well as the balances for each major category of related parties. However, these disclosures could be required in order to present meaningfully the "elements" of the transaction, which is a disclosure requirement.	related party transactions (other than compensation arrangements, expense allowances and similar items) must be disclosed in the separate financial statements of wholly-owned subsidiaries, unless these are presented in the same financial report that includes the parent's consolidated financial statements (including those subsidiaries).	
Segment reporting	Report primary and secondary (business and geographic) segments based on risks and returns and internal reporting structure. Use group accounting policies or entity accounting policy.	Report based on operating segments and the way the chief operating decision-maker evaluates financial information for purposes of allocating resources and assessing performance. Use internal financial reporting policies (even if accounting policies differ from group accounting policy).	Similar to IFRS.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of the Company's financial condition and results of operations together with its restated consolidated and unconsolidated financial which appear in this Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from the Company's restated consolidated financial statements except for the year ended March 31, 2005 for which the Company only has unconsolidated financial statements. Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. For more information on these differences, see "Summary of Significant Differences among Indian GAAP, US GAAP and IFRS" beginning on page [•] *of this Draft Red Herring Prospectus.*

The Company's fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

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

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors" beginning on page [•] *of this Draft Red Herring Prospectus.*

Overview

We are a growing energy company with 3,670 MW of generating capacity in the operational, construction or implementation phase. In addition, we have power generation projects at an early stage under development with a proposed combined installed capacity of 9,600 MW. It is our goal to become a leading full-service integrated power company in the Indian power sector with presence across the value chain. Currently, most of our revenue is derived from power generation. We are also one of the early entrants in the power trading business. In order to achieve our goal, we are currently exploring options in the power transmission business, power distribution business, generation through non-conventional energy sources, and considering opportunities to tie-up with well-known equipment manufacturers and suppliers.

The Company was incorporated in 1994, with the objective to develop, construct and operate power plants. The Company is a part of the JSW Group, which is in turn a part of the O.P. Jindal Group, and the JSW Group is headed by Mr. Sajjan Jindal. The JSW Group has a presence in the steel, power, cement, aluminium, software, and infrastructure sectors, with annual revenue in excess of Rs. 62,500 million for the six months ended September 30, 2007. As at December 31, 2007, the JSW Group employed more than 7,000 employees. As part of the JSW Group, we benefit from group synergies, including access to talent, competitive financing terms, and access to critical equipment and suppliers.

Our power plants are planned to be diverse in geographic location, fuel source and off-take. As part of our power generation business, we currently own and operate a 260 MW power plant in Karnataka and are expanding our generation capacity by 3,410 MW through construction and implementation of five new power plants in Karnataka, Maharashtra, Rajasthan and Himachal Pradesh. Each project is planned to either be strategically located near an available fuel source, load centre or infrastructure facilities. We intend to sell the power generated by our projects under an optimal combination of long-term and short-term power off-take agreements to state-owned utilities and some industrial consumers.

We have been engaged in power trading activities since June 2006. According to the CERC, website, we are one of the top five power trading companies in India, by volume, for for the quarter ended September 2007. CERC has granted us an "F" category license, the highest licence category, to trade power in India.
As part of our strategy to be present in the power sector value chain, we plan to enter the transmission business and, as a first step, we have incorporated JSWPTL which is intended to carry out all transmission related activities.

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

Revenue

Our total income comprises of:

- income from the power generation business;
- income from power trading business;
- sale of CERs;
- income from O&M services; and
- other income.

Power generation business

We currently have one operational power plant, two coal-/ lignite- fired projects and two coal-fired projects under construction and one hydroelectric project. At present, our income and expenses are primarily from our one operating power plant. As we complete our power projects, we expect to derive income primarily from the sale of electricity to state-owned distribution companies and industrial consumers.

Pricing

We currently sell and plan to sell electricity pursuant to a mix of off-take arrangements, including long-term PPAs and short-term PPAs. Out of an installed capacity of 3,670 MW of power generation that is either operational, under construction or under implementation, we have entered into definitive off-take arrangements for 1,306 MW of power for our JSWEL 260 MW plant, our RWPL power plant and our JSWEVL power plant.

- Long-term PPAs:

  - *With JSWSL and other industrial consumers*. We have historically derived income from the sale of power to our Group company, JSWSL, KPTCL and Jindal Praxair Oxygen Company Private Limited. Our power off-take arrangement with KPTCL expired in July 2005. Under these historical PPAs, pricing was based on a two-part tariff basis which provides for a return on equity of 16% at base PLF of 85%.

    The tariff as per our current PPA with JSWSL, which expires on March 31, 2012, is fixed at Rs. 2.60 per kWh, assuming a fuel cost of Rs. 1.30 per kWh. To the extent the fuel cost per kWh varies from Rs. 1.30 per kWh, a corresponding adjustment is made to the tariff of Rs. 2.60 per kWh.

    The proportion of power sold to JSWSL has declined in the last two years and the Company expects to sell an even lower proportion to JSWSL going forward under the 260 MW PPA upon the capacity being augmented at JSWSL and also the commissioning of units at JSWEVL. Under the PPA with JSWSL, we pass through any variations in our fuel cost to JSWSL. During the six months ended September 30, 2007, the Company sold approximately 32.0% of total power produced from the 260 MW operational power plant to JSWSL. We have also entered into PPAs with JSWSL and JSWCL for 306 MW of power from the 600 MW JSWEVL power plant. The PPA with JSWSL provides for pricing based on two part tariff model with a return on equity of 20% and base PLF of 85%. The PPA with JSWCL of 6 MW provides for fixed tariff of Rs. 3.00 per kWh for a period of five years and with an increase in tariff beyond the fifth year at a rate of 4% p.a. The PPAs with JSWSL and JSWCL are for a period of 10 years.

  - *Tariff pricing based*. We typically enter into long-term PPAs with state-owned companies with a tariff based pricing. Under this arrangement, we are guaranteed a post-tax return of 14% on equity. We intend to sell power on this basis for our RWPL (Phase I) project. See "—Tariff pricing" for more information.

  - Competitive bidding based: We also expect to enter into long-term PPAs with state-owned or private distribution companies that are based on Case I and Case II bids where we determine the appropriate bid price based on projected costs. We expect to enter into such a PPA for our Ratnagiri project.

- Short-term PPAs. We intend to enter into short-term PPAs that allow us to better capture market rates, respond to the fluctuations in power demands, including responding to price increases and power shortages. The short-term PPAs and off-take agreements may also be better suited for our power plants that are planned near load centres that typically have higher risks and costs associated with fuel supply and fuel transportation, and are more sensitive to fuel supply and price fluctuations as these power plants are typically not conveniently located to fuel sources and/or ports. These short-term power off-take agreements can provide for the delivery of power from several hours up to 11 months in duration, generally split into halves from April to September and October to March. Due to the nature of the short-term power off-take agreements, there is less risk in fuel supply shortages for our power plants. Fluctuations in fuel costs and supply can be passed through to consumers more readily due to the short-term nature of the power off-take agreements. An example is our 260 MW power plant from which we sell part of the power on a short-term power off-take agreement basis. The short-term PPAs may, however, create additional variability in our revenues and could expose our business to risks of market fluctuations in the demand for and price of power. During the six months ended September 30, 2007, we sold approximately 68.0% of the power generated from our 260 MW operational power plant under short-term PPAs. We expect to sell 294 MW of power from the Vijayanagar 600 MW project on a short-term basis.

  The table below sets forth the average price realisation for power sold on a short-term basis for the periods presented:

	Fiscal 2005*	Fiscal 2006	Fiscal 2007	Six Months ended September 30, 2006	Six Months ended September 30, 2007
			(Rs. Per Unit)		
Average Price Realisation	__	Rs. 2.82	Rs. 4.15	Rs. 3.62	Rs. 4.87

* No power was sold on a short-term basis

The table below sets forth the quantity of power sold on long-term and short-term basis for the periods presented:

	Fiscal 2005	Fiscal 2006	Fiscal 2007	Six Months ended September 30, 2006	Six Months ended September 30, 2007
			(in Million Units)		
Long-term	1,826.0	1,071.11	386.17	190.43	316.80
Short-term	--	833.10	1,526.78	701.57	684.31

We expect that the mix of power sold under long-term and short-term PPAs will vary as the market for power sold on a short-term basis develops and matures over a period of time.

- Hydroelectric: The primary advantage of the hydroelectric project is the perennial flow of water due to snowmelt and climatic conditions. However, we expect that the revenues from our hydroelectric project may be affected by an increase or decrease in water flows in the watersheds, as the amount of electricity generated by hydroelectric power systems is dependent upon available water flow. Water flow varies each year, depending on factors such as rainfall, snowfall and rate of snowmelt.

Tariff pricing

The most common method of pricing power sold on a long-term basis is a two-part tariff formula, where the tariff consists of a fixed component (also known as the capacity charge) and the variable component.

The fixed component of the tariff mainly depends on the capital cost of the project. Typically, the fixed component enables the generation facility to recover the fixed expenses and earn a return on investment at an assured level of PLF. Generally, the fixed component of the tariff typically comprises:

- Interest on long-term debt;
- Depreciation;

- O&M expenses;
- Return on equity;
- Incentive bonus for higher PLF; and
- Interest on working capital.

In India, under the two-part tariff policy, we are offered a guaranteed post-tax return of 14% on equity, at a PLF of 80%. In addition there is a provision for additional return on equity as an incentive for generation above a PLF of 80%.

The variable component of the tariff covers the variable operating costs comprising substantially of fuel costs and other costs that are directly dependent on the level of generation.

Power trading business

Our power trading business involves sale of power purchased from external power plants, as well as from within the JSW Group, solely for the purpose of trading. We have been engaged in power trading activities since June 2006. According to the CERC website, we are one of the top five power trading companies in India, by volume, for the quarter ended September 2007. CERC has granted us an "F" category licence, the highest licence category, to trade power in India. Under applicable law, power trading companies are permitted to make a profit of up to Rs. 0.04 per unit. The quantity of power we purchased and sold for the six months ended September 30, 2006, in Fiscal 2007, and for the six months ended September 30, 2007 was 0.04 million units, 56.10 million units and 12.44 million units, respectively.

Sale of CERs

The Kyoto Protocol promotes the CDM, a programme that encourages sustainable development projects that reduce greenhouse gases in the earth's atmosphere by issuing tradable certificates called CERs. JSWEL has already generated and realised 3.97 million CERs for its duel fuel power plant at Toranagallu, Karnataka. We expect to be eligible for CER benefits for some of our projects, such as the 260 MW hydroelectric power plant at Kutehr and from use of super critical technology.

We derived revenue from the sale of CERs of Rs. 3,275.63 million during the six months ended September 30, 2007. The CERs were received for our operations during Fiscal 2001 through Fiscal 2006. Accordingly, the income statement has been restated to allocate revenue from the sale of CERs to the respective years to which they relate.

Operation and maintenance services

We have a track record of development and management of power plants and power projects. We also render operation and maintenance services for the power plants of some of our group companies. We are currently providing this service to JSWSL for its two captive power plants with installed capacity of 230 MW under an operation and maintenance agreement. The terms of this agreement is for five years from April 1, 2006, subject to extension by mutual agreement. The present fee payable under these two agreements is Rs. 72,106 per MW per month. The agreement provides for an increase in the fee at 4% annually.

Other Income

Our other income consists primarily of interest income on investments.

Expenditures

Operating expenditures

Expenditures for power plants consist primarily of the fixed costs associated with operating the power project (primarily interest, depreciation, and operation and maintenance costs), and variable costs associated with fuel. The primary fuels we expect to use for our projects are coal and lignite. Based on current estimates, once all power projects are completed, our three coal-fired projects will account for 56.13% (2,060 MW) of our total installed capacity (3,670 MW), our lignite-fireds project will account for 36.78% (1,350 MW) of our total installed capacity and our hydro project will account for 7.09% (260 MW) of our total installed capacity. We will seek to achieve economies of scale in sourcing fuel as a result of the size of our project development portfolio and our affiliation with the O.P. Jindal Group.

The choice of fuel for a power plant depends on the type of demand that the plant is expected to meet. Coal-based power plants have lower variable costs than other fuels such as natural gas. However, coal based power plants have high capital costs, which results in higher fixed costs. In addition, these plants cannot vary their output with any variation in demand. As a result, coal-based plants are largely used to meet base demand. This results in lower fixed costs per unit, mainly due to a higher PLF. Hydroelectric plants have low variable costs of generation, and are the most flexible in terms of output.

We intend to source coal and lignite for our projects through long-term coal supply arrangements, including with domestic suppliers such as our affiliate, JSWSL, with international and domestic suppliers or through access to captive coal mines. To date, we have entered into long-term fuel supply agreements with JSWSL for our 260 MW operational project, with PT Sungai Belati Coal, an Indonesian company, for our Vijayanagar 600 MW power project and for part of our Ratnagiri 1,200 MW power project. The terms and conditions of the coal supply agreement, including price, are negotiated on an arm's length basis and are competitive and consistent with prevailing market conditions.

The coal to be used by us, including the coal purchased from JSWSL, is imported coal. One of the primary reasons to use imported coal is that imported coal has a high calorific value and low ash content making it ideal for use in power plants. Distance from any coal mine and the comparative proximity of our power plants to ports also makes it easier and economical for us to import coal.

The following table sets forth the fuel cost per unit for the period presented:

	Fiscal 2005	**Fiscal 2006**	**Fiscal 2007**	**Six Months ended September 30, 2006**	**Six Months ended September 30, 2007**
Fuel cost per unit	Rs. 1.32	Rs. 1.34	Rs. 1.38	Rs. 1.37	Rs. 1.42

Once our hydroelectric project enters commercial operation, its expenditures are expected to consist primarily of the fixed costs associated with operating the projects, which are principally expected to consist of interest, depreciation and operation and maintenance costs.

We will book depreciation in accordance with the Companies Act. The rates derived from these depreciation schedules may be, on average, higher than the depreciation rates provided in the CERC tariff regulations, which set forth the amounts that we are allowed to recover under applicable tariffs on certain projects. This increase in non-cash depreciation charges may have an adverse impact on our future profits.

Demerger

Pursuant to the scheme of demerger of the investment division of the Company the: (a) assets of Rs. 3,278.21 million and liabilities of Rs. 20.00 million have been transferred to JSWEIPL at their book values and (b) Rs. 3,258.21 million being the excess of book value of assets transferred have been adjusted as "Surplus" in Profit and Loss Account, for the six months ended September 30, 2007. For further details on the scheme of demerger, see "Scheme of Demerger" on page [●] of this Draft Red Herring Prospectus.

Factors Affecting our Results of Operations

Interest Rates Under Project

As our power business is capital intensive, we are exposed to interest rate risk on debt availed. In the case of our long-term PPAs with JSWSL and JSWCL and the Rajasthan Discoms, higher interest rates mean that the fixed cost under the tariff increases which means that the margins under the tariff are under pressure. In addition as we are seeking to finance growth in part, with debt, any increase in interest expense may have an adverse effect on our financial results and business prospects. Our current debt facilities carry interest at fixed rates with the provision for periodic reset of interest rates as well as variable rates. As of September 30, 2007, Rs. 7,800.35 million, or 84.76% of the total debt was subject to variable rates.

In view of the high debt to equity ratios of the project company subsidiaries, typically 3 to 1 or 4 to 1, an increase in interest expense at the project company level is likely to have a significant adverse effect on the project company's financial results and also increase the cost of capital to the Company which will, in turn, reduce the value of projects to the Company.

Plant Load Factor at which we operate our power plants

Plant Load Factor, or "PLF," is the ratio of actual units of power generated by a plant to the maximum power that could theoretically be generated by the power plant during any contract period. PLF is one performance parameter used to measure efficiency of a power plant. The average PLF for our existing 260 MW operational power plant has been 90.56% since commercial operation began in 2000 through December 31, 2007. Our hydroelectric power station which is a peaking facility is expected to have, a lower PLF because of the lower utilization of these plants. A lower PLF means that we have less power available for sale. In the case of tariffs, if we do not achieve a specified PLF, typically ranging from 80-85%, the fixed charge is adjusted downwards for the shortfall in generation below the specified PLF and we may not be able to recover all of our fixed costs from a customer. We try to maintain a high PLF by following best practices when operating and maintaining our plants.

Location of our projects

The choice of location for our power projects includes risk analysis involving the plant geographical location, source of fuel supply, proximity of the power plant from the source of supply and load centres for power evacuation, and other infrastructures such as ports. Our power plants that are planned in close proximity to fuel sources typically have higher costs associated with power transmission and evacuation, as the fuel sources are usually located in remote areas that are not convenient to load centres. For these power plants, we aim to enter into long term power off-take agreements to ensure sustained cash flows and to provide a power transmission cost control measure.

Government policy and regulation towards infrastructure

We believe the Indian economy will continue to grow over the next few years. The GoI and State Governments have linked improved infrastructure in the energy, transportation, urban infrastructure, and industrial and commercial infrastructure sectors as the platform for promoting and sustaining economic growth. We believe that Government focus on, and sustained increases in budgetary allocation for, power, and the development of more structured and comprehensive infrastructure policies that encourage greater private sector participation as well as the greater availability of funding for power projects from international and multi-lateral development financial institutions, should result in further power projects in India. As a consequence, we believe our business is a likely beneficiary of significant investment in power by governments and, as investment in power by the private sector gains momentum, by the private sector. As a result, macroeconomic factors in India such as interest rates, Government budgetary allocations for power projects, Government priorities with respect to infrastructure development, and capital expenditure by the private sector will determine the number and nature of power projects, which will in turn have a significant impact on our prospects and operating results.

Other factors affecting our results of operations include:

Critical Accounting Policies

Our financial statements have been prepared in accordance with Indian GAAP. The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern and as per applicable accounting standards. Our significant accounting policies are set forth in Annexure V to our consolidated financial statements included on page [•] of this Draft Red Herring Prospectus. Indian GAAP requires that we adopt accounting policies and make estimates that our Directors believe are most appropriate in the circumstances for the purposes of giving a true and fair view of our results of operations and the understanding of our financial condition and results of operations. The preparation of our financial statements requires us to make difficult and subjective judgment in selecting the appropriate estimates and assumptions that affect the amounts reported in our financial statements. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, terms of existing contracts, our observance of trends in the industry and information available from other outside sources, as appropriate. There can be no assurance that our judgments will prove correct or that actual results reported in future periods will not differ from our expectations reflected in our accounting treatment of certain items.

While we believe that all aspects of our financial statements should be studied and understood in assessing our current and expected financial condition and results, we believe that the following critical accounting policies warrant additional attention:

Revenue recognition

Revenue is recognised based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

Revenue from sale of power is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.

Operator fees and other income is accounted on accrual basis as and when the right to receive arises.

Fixed assets

Fixed assets are recorded at cost which includes all direct and indirect expenses up to the date of acquisition, installation and / or commencement of commercial generation of power.

Depreciation

Depreciation is provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act.

Depreciation on impaired assets related to a cash generating unit is provided by adjusting the depreciation charge in the remaining periods so as to allocate the revised carrying amount of the asset over its remaining useful life.

Impairment of assets

In accordance with AS-28, 'Impairment of assets', issued by the Institute of Chartered Accountants of India, where there is an indication of impairment of the assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised in the profit and loss account whenever the carrying amount of such assets exceed its recoverable amount.

Borrowing costs

(i) Borrowing costs (including exchange difference) directly attributable to the acquisition and construction of a qualifying asset are capitalised as part of cost of such asset upto the date when such asset is ready for its intended use.

(ii) Other borrowing costs are charged to revenue.

Investments

Long-term investments are stated at cost. In case, there is a decline other than temporary in the value of any investments, a provision for the same is made.

Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on the basis of weighted average. Obsolete, defective and unserviceable stocks are duly provided for wherever applicable.

Foreign exchange transactions

Foreign exchange transactions are recorded at the exchange rates prevailing on the date of the transaction.

Foreign currency designated assets, liabilities and capital commitments are stated at the year end rates.

Exchange difference, other than referred to in "— Borrowing Costs" above are charged to the revenue.

Retirement and other employee benefits

Retirement benefits in the form of provident fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each financial year.

Short-term compensated absences are provided for based on estimates. Long-term compensated absences are provided for based on actuarial valuation.

Actuarial gains/ losses are immediately taken to profit and loss account and are not deferred.

Taxation

Income tax expenses comprise current tax and fringe benefit tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain as the case may be to be realised.

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JAA of the I.T. Act, 1961 based on convincing evidence that the normal income tax will be payable within the statutory time frame and the same is reviewed at each balance sheet date.

Provisions and contingent liabilities

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- there is a present obligation as a result of a past event;
- a probable outflow of resources is expected to settle the obligation; and
- the amount of the obligation can be reliably estimated.

Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognised to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of:

- a present obligation arising from a past event, when it is not probable that a outflow of resources will be required to settle the obligation; and
- a possible obligation, unless the probability of outflow of resources is remote.

Results of Operations

	Six Months Ended September 30,			
	2007		2006	
	Amount	Percentage of Total Income	Amount	Percentage of Total Income
	(Rs. in millions)		(Rs. in millions)	
INCOME				
Income from Operations:				
Sale of Power generated	4,157.10	**53.78**	3,032.92	**94.61**
Power Traded	80.96	**1.05**	0.14	**0.00**
Sale of CER's [1]	3,275.63	**42.38**	-	**0.00**
Operator Fee	82.20	**1.06**	41.60	**1.30**
Other Income	134.04	**1.73**	131.10	**4.09**
Total	**7,729.93**	**100.00**	**3,205.76**	**100.00**
EXPENDITURE				
Purchase of Power	80.46	1.04	0.13	0.00
Cost of Fuel	1,419.12	18.36	1,226.00	38.24
Employees cost	75.08	0.97	39.34	1.23
Operation, Maintenance and Other expenses	276.60	3.58	269.55	8.41
Total Operating Expenses	1,851.26	23.95	1,535.02	47.88
Profit Before Interest, Depreciation, Tax and Amortisation (PBIDTA)	**5,878.67**	**76.05**	**1,670.74**	**52.12**
Interest and Finance Charges	376.25	4.87	203.30	6.34
Depreciation	292.05	3.78	296.17	9.24
Preliminary expenses and share issue expenses written off	**0.18**	**0.00**	-	**-**
Profit Before Tax	**5,210.19**	**67.40**	**1,171.27**	**36.54**
Provision for				
- Current Income Tax (including Fringe Benefit Tax)	620.44	8.03	115.95	3.62
- Deferred Tax	59.87	0.77	63.84	1.99
Profit After Tax	**4,529.88**	**58.60**	**991.48**	**30.93**
Adjustments:				
Reinstatement to relevant periods				
Sale of CER's (1)	(3,275.63)	(42.38)	-	-
Misc. Expenses w.off / Finance charges / Deferred Tax	-	-	(0.70)	(0.02)
Total Adjustments	(3,275.63)	(42.38)	(0.70)	(0.02)
Tax Impact of adjustments	(369.13)	(4.78)	-	-
Adjustments Net of Tax	**(2,906.50)**	**(37.60)**	**(0.70)**	**(0.02)**
Net Profit before Minority Interest, as Restated	**1,623.38**	**21.00**	**990.78**	**30.91**
Minority interest	0.01	0.00	0.01	-
Net Profit after Minority Interest, as Restated	**1,623.37**	**21.00**	**990.77**	**30.91**

	Fiscal 2007		Fiscal 2006		Fiscal 2005 (Standalone)	
	Amount	Percentage of Total Income	Amount	Percentage of Total Income	Amount	Percentage of Total Income
	(Rs. in millions)	(%)	(Rs. in millions)	(%)	(Rs. in millions)	(%)
INCOME						
Income from Operations:						
Sale of Power Generated	7,339.87	**90.44**	5,307.97	**96.71**	4,908.40	**99.43**
Power Traded	298.70	**3.68**	-	**0.00**	-	**0.00**
Sale of CER's (1)	-	**0.00**	-	**0.00**	-	**0.00**
Operator Fee	130.70	**1.61**	110.32	**2.01**	-	**0.00**
Other Income	346.21	**4.27**	70.53	**1.28**	28.27	**0.57**
Total	**8,115.48**	**100.00**	**5,488.82**	**100.00**	**4,936.67**	**100.00**
EXPENDITURE						
Purchase of Power	296.31	**3.65**	-	**0.00**	-	**0.00**
Cost of Fuel	2,647.72	**32.63**	2,558.07	**46.61**	2,405.88	**48.73**
Employees cost	87.81	**1.08**	61.65	**1.12**	42.37	**0.86**
Operation, Maintenance and Other expenses	460.41	**5.67**	380.60	**6.93**	320.60	**6.49**
Total Operating Expenses	3,492.25	**43.03**	3,000.32	**54.66**	**2,768.85**	**56.09**
Profit Before Interest, Depreciation, Tax and Amortisation (PBIDTA)	**4,623.23**	**56.97**	**2,488.50**	**45.34**	**2,167.82**	**43.91**
Interest and Finance Charges	629.79	**7.76**	497.39	**9.06**	599.30	**12.14**
Depreciation	583.05	**7.18**	579.61	**10.56**	576.75	**11.68**
Profit before Tax	**3,410.39**	**42.02**	**1,411.50**	**25.72**	**991.77**	**20.09**
Provision for						
- Current Income Tax (including FBT)	389.59	**4.80**	109.67	**2.00**	59.36	**1.20**
- Deferred Tax	116.30	**1.43**	113.00	**2.06**	329.89	**6.68**
Profit After Tax	**2,904.50**	**35.79**	**1,188.83**	**21.66**	**602.52**	**12.20**
Adjustments:						
Reinstatement to relevant periods						
Sale of Carbon Emission Reductions (CER's) (1)	-	-	162.75	2.97	910.82	18.45
Misc. Expenditure w.off /Finance Charges / Deferred Tax	(77.48)	(0.95)	-	0.00	239.85	4.86
Total Adjustments	**(77.48)**	**(0.95)**	**162.75**	**2.97**	**1,150.67**	**23.31**
Tax Impact of adjustments	0.00	-	18.44	0.34	122.01	**2.47**
Adjustments Net of Tax	**(77.48)**	**(0.95)**	**144.31**	**2.63**	**1,028.66**	**20.84**
Net Profit before	**2,827.02**	**34.84**	**1,333.14**	**24.29**	**1,631.18**	**33.04**

	Fiscal 2007		Fiscal 2006		Fiscal 2005 (Standalone)	
	Amount	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**
	(Rs. in millions)	**(%)**	**(Rs. in millions)**	**(%)**	**(Rs. in millions)**	**(%)**
Minority Income, as Restated						
Minority interest	0.02	0.00	0.00	0.00	-	**0.00**
Net Profit after Minority Income, as Restated	**2,827.00**	**34.84**	**1,333.14**	**24.29**	**1,631.18**	**33.04**

Note:

(1) We derived revenue from the sale of CER's of Rs. 3,275.63 million during the six months ended September 30, 2007. The CERs were received for our operations during Fiscal 2001 through 2006. Accordingly, the income statement has been restated to allocate revenue from the sale of CERs to the respective years to which they relate.

Comparison of the six months ended September 30, 2007 and the six months ended September 30, 2006

Income

Our total income increased by 141.13% to Rs. 7,729.93 million in the six months ended September 30, 2007 from Rs. 3,205.76 million in the six months ended September 30, 2006.

Income from operations

The breakup of income from operations is set forth below:

Rs. Million

Nature of Income	**Sep-30**		**Variation**
	2007	**2006**	**%**
Sale of Power Generated	4,157.10	3,032.92	37.07%
Power Traded	80.96	0.14	57,728.57%
Sale of CER's	3,275.63	-	-
Operator Fees	82.20	41.60	97.60%
Total	**7,595.89**	**3,074.66**	**147.05%**

The reasons for the variations are as follows:

(a) Income from the sale of power generated increased by 37.07%. The PLF and net generation increased to 94.66% and 1,001.11 Million Units (MUs), respectively, for the six months ended September 30, 2007 from 84.28% and 892 MUs, respectively, for the same period in 2006. There was also an increase in the average price realisation (our revenue from the power generation business divided by the units of power sold) to Rs. 4.15 per unit in the six months ended September 30, 2007 from Rs. 3.40 per unit in the six months ended September 30, 2006 primarily due to an increase in tariffs.

(b) We commenced the business of power trading activity after September 2006 and therefore derived no income from such activity during the six months ended September 30, 2006.

(c) We earned CERs for our operations during Fiscal 2001 through Fiscal 2006. Revenue from the sale of CERs was realised for the first time in Fiscal 2008 upon execution of a firm contract of sale. The income statement has been restated to allocate revenue from the sale of CERs to the respective years to which they relate.

(d) Income from operator fees increased by 97.60% to Rs. 82.20 million in the six months ended September 30, 2007 from Rs. 41.60 million in the six months ended September 30, 2006. The operator fees for six months ended September 30, 2007 is from the operation and maintenance of the 230 MW captive power plants I and II of JSWSL The operator fees for the same period in 2006 is from the operation and maintenance of only the 100 MW captive power plant I of JSWSL.

Other Income

Other income increased marginally by 2.24% to Rs. 134.04 million in the six months ended September 30, 2007 from Rs. 131.10 million in the six months ended September 30, 2006 primarily due to interest income and exchange gains.

Expenditure

The total expenditure increased by 23.85% to Rs. 2,519.74 million in the six months ended September 30, 2007 from Rs. 2,034.49 million in the six months ended September 30, 2006. The reasons for the increase are summarized below:

Purchase of Power

Purchase of power for trading increased to Rs. 80.46 million in the six months ended September 30, 2007 from Rs. 0.13 million in the six months ended September 30, 2006 primarily because we commenced the business of power trading activity only after September 2006. As a percentage of total income, the purchase of power for trading increased to 1.04% in the six months ended September 30, 2007 from 0% in the six months ended September 30, 2006.

Cost of Fuel

The cost of fuel increased by 15.75% to Rs. 1,419.12 million in the six months ended September 30, 2007 from Rs. 1,226.0 million in the six months ended September 30, 2006 due to more fuel consumed commensurate with the increase in net generation to 1001.11 Million Units (MUs) in the six months ended September 30, 2007 from 892 MUs in the six months ended September 30, 2006, and also due to an increase in the fuel cost per unit**.** Though the fuel cost per unit increased to Rs. 1.42 per unit from Rs. 1.37 per unit, there was an increase in average sales realisation by Rs. 0.75 per unit.

As a percentage of total income, the cost of fuel decreased to 18.36% in the six months ended September 30, 2007 from 38.24% in the six months ended September 30, 2006.

Employees Cost and Operation, Maintenance and Other Expenses

The employees costs and operation, maintenance and other expenses increased by 13.85% to Rs. 351.68 million in the six months ended September 30, 2007 from Rs. 308.89 million in the six months ended September 30, 2006, primarily due to an increase in employees cost due to an increase in the number of employees commensurate with the increase in business, increase in power trading capabilities and also due to an annual increase in salaries. As a percentage of the total income, the operation, maintenance and other expenses (including employees cost) decreased to 4.55% in the six months ended September 30, 2007 compared to 9.64% in the six months ended September 30, 2006.

Interest and Finance charges

The interest and finance charges increased by 85.07% to Rs. 376.25 million in the six months ended September 30, 2007 from Rs. 203.30 million in the six months ended September 30, 2006, primarily due to interest cost on additional borrowings of Rs. 4,500 Million in the six months ended September 30, 2007.

As a percentage of total income, the interest and finance charges decreased to 4.87% in the six months ended September 30, 2007 from 6.34% in the six months ended September 30, 2006. The decrease was due to an increase of revenue from the sale of CERs during the six months ended September 30, 2007 thereby increasing the total income.

Depreciation

Depreciation decreased marginally by 1.39% to Rs. 292.05 million in the six months ended September 30, 2007 from Rs. 296.17 million in the six months ended September 30, 2006. Depreciation as a percentage of total income decreased to 3.78% in the six months ended September 30, 2007 from 9.24% in the six months ended September 30, 2006 due to an increase of revenue from the sale of CERs during the six months ended September 30, 2007 thereby increasing the total income.

Profit before Tax

As a result of the foregoing, profit before taxation increased by 344.84% to Rs. 5,210.19 million in the six months ended September 30, 2007 from Rs. 1,171.27 million in the six months ended September 30, 2006.

Provision for Tax

The provision for tax liabilities increased by 278.39% to Rs. 680.31 million in the six months ended September 30, 2007 from Rs. 179.79 million in the six months ended September 30, 2006. The primary components of this increase were current income tax and deferred tax. The increase in provision for taxation was primarily due to an increase in the total income as a result of the sale of CERs and improved sales realisations in the six months ended September 30, 2007.

Profit after Tax

As a result of the foregoing, the net profit after tax increased by 356.88% to Rs. 4,529.88 million in the six months ended September 30, 2007 from Rs. 991.48 million in the six months ended September 30, 2006. As a percentage of total income, net profit after tax increased to 58.60% in the six months ended September 30, 2007 from 30.93% in the six months ended September 30, 2006.

Comparison of Fiscal 2007 and fiscal 2006

Income

The total income increased by 47.85% to Rs. 8,115.48 million in fiscal 2007 from Rs. 5,488.82 million in fiscal 2006. The reasons for the increase has been summarized below:

Income from Operations

The break-up of income from operations is set forth below:

Rs. Million

Nature of Income	Fiscal		Variation
	2007	2006	%
Sale of Power Generated	7,339.87	5,307.97	38.28%
Power Traded	298.70	-	-
Operator Fees	130.70	110.32	18.47%
Total	**7,769.27**	**5,418.29**	**43.39%**

The reasons for the variations are as follows:

(a) Income from the sale of power generated increased by 38.28%. The Plant Load factor (PLF) and Net generation increased to 90.54% and 1,912.99 Million Units (MUs), respectively, for fiscal 2007 from 89.96% and 1,904.21 MUs, respectively, for fiscal 2006. There was also an increase in average price realisation to Rs. 3.84 per unit in fiscal 2007 from Rs. 2.79 per unit in fiscal 2006 primarily due to an increase in tariffs.

(b) There was no revenue from power traded in fiscal 2006 as we only commenced power trading operations in fiscal 2007.

(c) Income from operator fees increased by 18.47% to Rs. 130.70 million in fiscal 2007 from Rs. 110.32 million in fiscal 2006. The operator fees for fiscal 2007 was derived from the operation and maintenance of the 230 MW captive power plants I and II of JSWSL The operator fees for fiscal 2006 was derived from the operation and maintenance of only the 100 MW captive power plant I of JSWSL.

Other Income

Other income increased by 390.87% to Rs. 346.21 million in fiscal 2007 from Rs. 70.53 million in fiscal 2006, primarily due to increase in dividend income.

Expenditure

The total expenditure increased by 15.40% to Rs. 4,705.09 million in fiscal 2007 from Rs. 4,077.32 million in fiscal 2006. The reasons for the increase has been summarized below:

Purchase of Power

The purchase of power for trading was Rs. 296.31 million in fiscal 2007. We only commenced our power trading business after September 2006 and accordingly did not have any purchase of power in fiscal 2006.

Cost of Fuel

The cost of fuel increased marginally by 3.50% to Rs. 2,647.72 million in fiscal 2007 from Rs. 2,558.07 million in fiscal 2006. The increase was primarily due to a corresponding increase in business volume. Though the fuel cost per unit increased to Rs. 1.38 per unit from Rs. 1.34 per unit, there was an increase in average sales realisation by Rs. 1.05 per unit.

Operation, Maintenance and Other Expenses (including Employees cost)

The operation, maintenance and other expenses (including employees cost) increased by 23.96% to Rs. 548.22 million in fiscal 2007 from Rs. 442.25 million in fiscal 2006, primarily due to an increase in trading capabilities, and new operation and maintenance contract entered for captive power plant of JSWSL in fiscal 2007. As a percentage of the total income, the operation, maintenance and other expenses (including employees cost) decreased to 6.76% in fiscal 2007 compared to 8.06% in fiscal 2006 due to increase in the total income in fiscal 2007.

Interest and Finance charges

The interest and finance charges increased by 26.62% to Rs. 629.79 million in fiscal 2007 from Rs. 497.39 million in fiscal 2006, primarily due to additional borrowings of Rs. 1,800 million in fiscal 2007. As a percentage of total income, the interest and finance charges decreased to 7.76% in fiscal 2007 from 9.06% in fiscal 2006.

Depreciation

Depreciation increased by 0.59% to Rs. 583.05 million in fiscal 2007 from Rs. 579.61 million in fiscal 2006. The increase was due to capital expenditure during the year on the ongoing projects. Depreciation as a percentage of total income decreased to 7.18% in fiscal 2007 from 10.56% in fiscal 2006 due to an increase in the total income.

Profit before Tax

As a result of the foregoing, profit before taxation increased by 141.61% to Rs. 3,410.39 million in fiscal 2007 from Rs. 1,411.50 million in fiscal 2006.

Provision for Tax

The provision for tax liabilities increased by 127.19% to Rs. 505.89 million in fiscal 2007 from Rs. 222.67 million in fiscal 2006. The primary components of this increase were current income tax and deferred tax. The increase in provision for taxation was primarily due to an increase in profits before taxation and due to an increase in the rate of minimum alternate tax. In fiscal 2007

Profit after Tax

As a result of the foregoing, the net profit after tax increased by 144.32% to Rs. 2,904.50 million in fiscal 2007 from Rs. 1,188.83 million in fiscal 2006. As a percentage of total income, net profit after tax increased to 35.79% in fiscal 2007 from 21.66% in fiscal 2006.

Comparison of fiscal 2006 and fiscal 2005

The financials for fiscal 2005 are on a standalone basis and the financials for fiscal 2006 are on a consolidated basis and therefore these financials are not strictly comparable.

Income

The total income increased by 11.18% to Rs. 5,488.82 million in fiscal 2006 from Rs. 4,936.67 million in fiscal 2005.

Income from Operations

The break-up of income from operations is set forth below:

Rs. Million

Nature of Income	Fiscal		Variation
	2006	**2005**	**%**
Sale of Power Generated	5,307.97	4,908.40	8.14%
Operator Fees	110.32	-	-
Total	**5,418.29**	**4,908.40**	**10.39%**

The reasons for the variations are summarized below:

(a) Income from the sale of power generated increased by 8.14%. The Plant Load factor (PLF) and Net generation increased to 89.96% and 1,904.21 Million Units (MUs), respectively, for fiscal 2006 from 86.35% and 1,826.00 MUs, respectively, for fiscal 2005. There was also an increase in average price realisation to Rs. 2.79 per unit from Rs. 2.69 per unit primarily due to an increase in tariffs.

(b) Income from operator fees was Rs. 110.32 million in fiscal 2006. There was no operator fees in fiscal 2005 as the business activity of operation and maintenance commenced only in fiscal 2006.

Other Income

Other income increased by 149.49% to Rs. 70.53 million in fiscal 2006 from Rs. 28.27 million in fiscal 2005, primarily due to an increase in the dividend income.

Expenditure

The total expenditure increased by 3.36% to Rs. 4,077.32 million in fiscal 2006 from Rs. 3,944.90 million in fiscal 2005. This was primarily due to an increase in the cost of fuel and operations, maintenance and other expenses.

Cost of Fuel

The cost of fuel increased by 6.33% to Rs. 2,558.07 million in fiscal 2006 from Rs. 2,405.88 million in fiscal 2005. The increase was primarily due to a corresponding increase in business volume. Though the fuel cost per unit increased to Rs. 1.34 per unit from Rs. 1.32 per unit, there was an increase in average price realisation by Rs. 0.10 per unit.

Operation, Maintenance and Other Expenses (including Employees Cost)

The operation, maintenance and other expenses (including employees cost) increased by 21.84% to Rs. 442.25 million in fiscal 2006 from Rs. 362.97 million in fiscal 2005, primarily due to the Company entering into the business of operation and maintenance in fiscal 2006 and providing such service for captive power plant of JSWSL, and the setup of power trading business in fiscal 2006**.** As a percentage of the total income, the operation, maintenance and other expenses (including employees cost) increased to 8.06% in fiscal 2006 compared to 7.35% in fiscal 2005.

Interest and Finance charges

The interest and finance charges decreased by 17% to Rs. 497.39 million in fiscal 2006 from Rs. 599.30 million in fiscal 2005. This was primarily due to interest reset expenses incurred in fiscal 2005**.** As a percentage of total income, the interest and finance charges decreased to 9.06% in fiscal 2006 from 12.14% in fiscal 2005.

Depreciation

Depreciation increased by 0.50% to Rs. 579.61 million in fiscal 2006 from Rs. 576.75 million in fiscal 2005. The increase was due to annual capital expenditure incurred on ongoing projects. Depreciation as a percentage of total income decreased to 10.56% in fiscal 2006 from 11.68% in fiscal 2005 due to an increase in the total income.

Profit before Tax

The profit before taxation increased by 42.32% to Rs. 1,411.50 million in fiscal 2006 from Rs. 991.77 million in fiscal 2005. This was primarily due to the increase in revenue as a result of improved sales realisation and operator fees in fiscal 2006.

Provision for Tax

The provision for tax liabilities decreased by 42.80% to Rs. 222.67 million in fiscal 2006 from Rs. 389.25 million in fiscal 2005. The primary component of this decrease was the recognition of deferred tax liability of Rs. 239.85 million in fiscal 2005 for earlier periods**.**

Profit after Tax

As a result of the foregoing, the net profit after tax increased by 97.31% to Rs. 1,188.83 million in fiscal 2006 from Rs. 602.52 million in fiscal 2005. This was primarily due to the recognition of deferred tax liability of Rs. 239.85 million during fiscal 2005 for earlier periods and an increase in revenue in fiscal 2006. As a percentage of total income, net profit after tax increased to 21.66% in fiscal 2006 from 12.20% in fiscal 2005.

Effect of Restatement

The Company's restated consolidated financial information for six months ending on September 30, 2007, September 30, 2006 and for fiscals 2007, 2006, 2005, 2004 and 2003 has been presented in compliance with paragraph B(1) of Part II of Schedule II to the Companies Act, Indian GAAP and the SEBI guidelines. The effect of such restatement is that the Company's consolidated financial statements included in this Draft Red Herring Prospectus have been restated to conform to methods used in preparing the Company's latest financial statements, as well as to conform to any changes in accounting policies and estimates. The principal adjustments to the Company's consolidated financial statements, including on account of changes in accounting policies and estimates, are described below:

SUMMARY STATEMENT OF ADJUSTMENTS

	For Six months ended		For the fiscal		
	September 30, 2007	September 30, 2006	2007	2006	2005
Profit as per Audited Financials (A)	4,529.88	991.48	2,904.50	1,188.83	602.52
Adjustments:					
Reinstatement to relevant periods	(3,275.63)	(0.70)	(77.48)	162.75	1,150.67
Tax Impact of adjustments	(369.13)	-	-	18.44	122.01
Total Adjustments net of tax impact (B)	(2,906.50)	(0.70)	(77.48)	144.31	1,028.66
Net Profit before minority interest, as restated (A+B)	**1,623.38**	**990.78**	**2,827.02**	**1,333.14**	**1,631.18**

Changes in Accounting Policies and estimates

Adjustments on account of material adjustments

Adjustments represent expenses and income restated to the respective years to which they relate irrespective of the year in which the event triggering the profit or loss occurred.

We derived revenue from the sale of CERs of Rs. 3,275.63 million during the six months ended September 30, 2007. The CERs were received for our operations during fiscal 2001 through 2006. Accordingly, the income statement has been restated to allocate revenue from the sale of CERs to the respective years to which they relate.

Miscellaneous expenditure and interest and finance charges written off in fiscal 2003-2004, and deferred tax liability provided in fiscal 2004-2005, have all been restated and charged to/provided in the respective years to which they relate.

Tax impact on adjustments

Current tax Impact of above mentioned adjustments on restatement has been provided at the appropriate tax rate applicable.

Liquidity and Capital Resources

The power generation business is capital intensive. Our plan to construct the power projects that we currently intend to develop will require significant design, development and construction capital and the funding of operating losses during the start-up phase of each project.

Cash Flows

The table below summarizes the Company's audited consolidated cash flows for the periods presented:

	Six Months Ended September 30,	
	2007	2006
	(Rs. in million)	
Net cash provided by/(used in) operating activities	5370.47	1496.15
Net cash provided by/(used in) investing activities	(7756.75)	(1138.56)
Net cash provided by/(used in) financing activities	1807.37	668.39
Net increase/(decrease) in cash and cash equivalents	(578.91)	1,025.98
Closing Cash and Bank Balances	2,166.18	1,474.35

	Fiscal 2007	Fiscal 2006	Fiscal 2005
		(Rs. in million)	
Net cash provided by/(used in) operating activities	4544.59	2721.67	2,179.68
Net cash provided by/(used in) investing activities	(3077.88)	(39.85)	(2,374.92)
Net cash provided by/(used in) financing activities	630.01	(2269.72)	63.88
Net increase/(decrease) in cash and cash equivalents	2,096.72	412.10	(131.36)
Closing Cash and Bank Balances	2,745.09	448.37	26.26

Cash Flows from Operating Activities

The net cash from operating activities in the six months ended September 30, 2007 was Rs. 5,370.47 million, primarily due to cash generated from operations before working capital changes of Rs. 2,472.56 million, decrease in trade and other receivables of Rs. 3,125.31 million due to realisation of revenue from sale of CERs, and decrease in loans and advances Rs. 199.80 million, partially offset by increase in inventories of Rs. 22.70 million and tax paid of Rs. 409.96 million.

The net cash from operating activities in the six months ended September 30, 2006 was Rs. 1,496.15 million, primarily due to cash generated from operations before working capital changes of Rs. 1,539.04 million, decrease in inventories of Rs. 0.20 million, increase in trade and other payables of Rs. 293.96 million, offset by increase in trade and other receivables of Rs. 208.90 million, increase in loans and advances by Rs. 64.10 million and tax paid of Rs. 64.05 million.

The net cash from operating activities in the year ended March 31, 2007 was Rs. 4,544.59 million, primarily due to cash generated from operations before working capital changes of Rs. 4201.21 million, increase in trade and other payables of Rs. 659.39 million, decrease in trade and other receivables of Rs. 332.58 million, offset by tax paid of Rs. 397.64 million, increase in loans and advances of Rs. 234.25 million and increase in inventories of Rs. 16.70 million.

The net cash from operating activities in the year ended March 31, 2006 was Rs. 2,721.67 million, primarily due to cash generated from operations before working capital changes of Rs. 2,615.64 million, increase in trade and other payables of Rs. 55.98 million, decrease in loans and advances Rs. 183.21 million, offset by tax paid of Rs. 103.91 million, increase in trade and other receivables of Rs. 18.85 million and increase in inventories of Rs. 10.40 million.

The net cash from operating activities in the year ended March 31, 2005 was Rs. 2,179.68 million, primarily due to cash generated from operations before working capital changes of Rs. 3,052.92 million, increase in trade and other payables of Rs. 55.27 million, offset by tax paid of Rs. 165.29 million, increase in inventories of Rs. 9.49 million, increase in trade and other receivables of Rs. 562.90 million.

Cash Flows from Investing Activities

The cash flow from or used in investment activities represents purchase of fixed assets comprising plant and equipment used in its power business and purchase of investments, offset in each fiscal year by minor disposal of fixed assets, sales of investments, dividends received and interest received.

Net cash used in investment activities was Rs. 7,756.75 million in the six months ended September 30, 2007 primarily due to expenditure incurred on projects being set up at Vijayanagar, Ratnagiri, Barmer and Kutehr. Net cash used in investment activities was Rs. 1,138.56 million in the six months ended September 30, 2006 primarily due to expenditure incurred on projects being set up at Vijayanagar, Ratnagiri and Barmer.

Net cash used in investment activities was Rs. 3,077.88 million during the year ended March 31, 2007 projects due to expenditure incurred on projects being set up at Vijayanagar, Ratnagiri and Barmer. Net cash used in investment activities was Rs. 39.85 million during the year ended March 31, 2006 mainly due to capital expenditure for existing 260MW plant at Vijayanagar. Net cash used in investment activities was Rs. 2,374.92 million during the year ended March 31, 2005 primarily due to investments in associate companies.

Cash Flows from Financing Activities

The Company's cash flow from or used in its financing activities is determined primarily by the level of its borrowings, the schedule of principal and interest payments on borrowings, and payment of dividends.

For the six months ended September 30, 2007 the Company's cash flow from financing activities increased to Rs. 1,807.37 million as compared to Rs. 668.39 million in the six months ended September 30, 2006, primarily due to an increase in the borrowings. In the six months ended September 30, 2007, the Company had total outstanding secured and unsecured loans of Rs. 9,203.33 million compared to Rs. 4,846.99 million in the six months ended September 30, 2006. The increase in secured and unsecured loans was on account of additional borrowings during fiscal 2007 primarily for new projects being setup**.**

For the fiscal year ended March 31, 2007, the Company's cash flow from / (used in) financing activities increased to Rs. 630.01 million as compared to Rs. (2,269.72 million) in fiscal 2006, primarily due to increase in equity capital by Rs. 1,378 million during fiscal 2007 and due to additional borrowings during fiscal 2007 primarily for new projects being setup**.** As of March 31, 2007, the Company had total outstanding secured and unsecured loans of Rs. 7,070.88 million compared to Rs. 4,388.88 million as of March 31, 2006. The increase in secured and unsecured loans was as due to reasons stated above.

The Company's cash flow from / (used in) financing activities increased to Rs. (2,269.72) million in fiscal 2006 as compared to Rs. 63.88 million in fiscal 2005, primarily as a result of prepayment of a short term loan in fiscal 2006 and borrowings during fiscal 2006.

Capital Expenditure

The Company's purchase of fixed assets (including capital work-in-progress and capital advances) for the six months ended September 30, 2007 and fiscal 2007, 2006 and 2005 was approximately Rs. 9,970.44 million, Rs. 2,797.62 million, Rs. 148.42 million and Rs. 30.26 million, respectively. The expenditure for six months ended September 30, 2007 and fiscal 2007 consisted primarily of expenses on new projects being setup at Vijayanagar, Ratnagiri and Barmer.

As of December 15, 2007, we had spent Rs. 14,970.60 million on our projects described in the table below.

In fiscal 2008, post December 15, 2007, we expect to spend Rs. 17,619.00 million on the following three projects: JSWEVL, JSWERL and RWPL. In fiscal 2008, we do not expect to spend significant any amounts on our other projects under construction, implementation and development. In fiscal years 2009, 2010, 2011 and 2012 onwards we expect to spend Rs. 43,114.30 million, Rs. 40,625.00 million, Rs. 15,021.10 million and Rs. 10,150.00 million, respectively, on our projects under construction and implementation. See "Objects of the Issue—Investment in Subsidiaries to part-finance the construction and development costs of the Identified Projects."

Set forth in the table below are, with respect to each of the five projects that are currently under construction or implementation, the amounts that were spent on these projects by us as of December 15, 2007 and the total estimated project costs to completion.

Identified Projects	Amount deployed as of December 15, 2007	Estimated Cost to Completion
	(Rs. in Millions)	
JSWEVL (600MW)	5,491.70	18,600
JSWERL (1,200 MW)	3,310.00	45,000
RWPL (Phase I)(1,080 MW)	6,168.90	50,000
RWPL (Phase II) (270MW)	-	13,500
Kutehr (260MW)	-	14,400
Total	14,970.60	141,500

In addition to the five foregoing projects, we also have five additional power projects that are in various stages of development. On an aggregate basis, we expect that our estimated cost to complete these five

additional projects will be Rs. 384,000.00 million.
Other than the JSWEVL, JSWERL and RWPL projects, we have not signed contracts with contractors for the supply of equipment and construction of our projects. We may have to revise our cost estimates as and when such contracts are awarded. In addition, exchange rate fluctuations, changes in design or configuration of the project, incremental rehabilitation and other pre-operative expenses and external factors such as geological assessments, which may not be within the control of our management, may entail rescheduling and revising our estimated costs.

As of the six months ended September 30, 2007, our cash and cash equivalents were Rs. 2,166.18 million, denominated principally in Rupees. We have in the past relied principally on internal cash flow and other funds, affiliate loans, bank borrowings and advances from clients. We expect that, going forward, we will finance with a combination of bank borrowings and operating cash flows. However, we cannot assure you that our power business will not change in a manner that would consume our available capital resources more rapidly than anticipated, particularly as we continue to evaluate other power projects. We will be required to raise additional capital to complete the five projects under development. We will require even higher levels of additional capital if we procure rights to develop additional projects in the future or if we do not obtain 'mega-power' status from the Government of India for our 1,200 MW power plant under construction. We will seek to obtain additional funding through additional issuances of equity and/or debt securities or by securing new loans.

Indebtedness

As of December 31, 2007 we had outstanding secured loans of Rs. 14,186.22 million and unsecured loans of Rs. 5.78 million. As of March 31, 2007 we had outstanding secured loans of Rs. 6,045.10 million and unsecured loans of Rs. 1,025.78 million.

Many of the financing arrangements are secured by a charge on current assets and fixed assets comprising plant and machinery. Our sundry debtors and inventories are subject to charges created in favour of specific secured lenders. The increase in loans of Rs. 2,682 million as of March 31, 2007 as compared to March 31, 2006 is a result of additional borrowings for the projects being setup. In addition, in fiscal 2007 there was an increase in equity by Rs. 578 million.

Our financing agreements include covenants that require it to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Specifically, we must seek and obtain, lender consent to amend our Memorandum and Articles of Association, change our capital structure, change its management structure, declare dividends, create additional charges on or further encumber our assets, open a bank account with a bank other than the lender, create a subsidiary, remove personnel with substantial management powers or merge with or acquire other companies, or disposing of a substantial portion of its assets and developing new projects whether or not there is any failure by us to comply with the other terms of such agreements.

We believe that our relationships with our lenders are good. Compliance with the various terms of our loans are, however, subject to interpretation, and we cannot assure you that we have requested or received all consents from our lenders that are required by our financing documents. As a result, it is possible that a lender could assert that we have not complied with all the terms under our existing financing documents.

Any failure to service our indebtedness, comply with a requirement to obtain a consent or perform any condition or covenant could lead to a termination of one or more of our credit facilities, acceleration of all amounts due under such facilities, any of which may adversely affect its ability to conduct its business and have a material adverse effect on its financial condition and results of operations.

Contractual Obligations and Commitments

The following table summarizes the Company's contractual obligations and commitments to make future payments as of September 30, 2007 on a consolidated basis:

	As of September 30, 2007				
	Payment Due by Period				
	Total	**Less than 1 year**	**1-3 years**	**3 -5 years**	**More than 5 years**
	(Rs. in million)				
Long Term Loans					
Rupee Term Loans / Debentures	8,286.90	460.87	541.60	2,766.58	4,517.86
Foreign Currency Loans *	700.48	215.53	215.53	269.42	-

- Based on the exchange Rate of Rs. 40.04 per US$.

Contingent Liabilities and other Off-Balance Sheet Arrangements

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

Rs. in Million

Sl.	Details	As of September 30, 2007
a	Bank Guarantees Outstanding	2,297.50
b	Income Tax matters	107.02

Transactions with Associates and Related Parties

From time to time, we enter into transactions with companies which are controlled by members of the Company's Promoter Group and other related parties in the ordinary course of our business. For details regarding our related party transactions, see "Financial Statements — Related Party Transactions" beginning on page [•] of this Draft Red Herring Prospectus.

Quantitative and Qualitative Disclosure about Market Risk

We are exposed to market risks associated with commodity prices and interest rates. The commodity price risk exposure results from market fluctuations in the selling price of electricity and in purchase price and transportation costs of other commodities. We are exposed to various types of market risks in the normal course of business. For instance, we are exposed to market interest rates and exchange rate movements on foreign currency denominated borrowings and operating expenses. The following discussion and analysis, which constitute "forward-looking statements" summarizes our exposure to various market risks.

Credit Risk

In the power business, we currently derive most of our operating revenue from contracts with government entities as the counter-party. Currently payments by such entities are not secured by any form of credit support such as letters of credit, performance guarantees or escrow arrangements.

Interest Rate Risk

Our net profit is affected by changes in interest rates which impact interest expense. In addition, an increase in interest rate may adversely affect our ability to service long-term debt and to finance development of new projects, all of which may in turn adversely affect our results of operations.

We have fixed and floating rate debt. The floating rate debt exposes us to market risk as a result of changes in interest rates and, as of September 30, 2007 Rs. 7,800.35 million, or approximately 84.76% of our total debt, was subject to variable rates. We undertake debt obligations to support capital expenditures, working capital, and general corporate purposes. Upward fluctuations in interest rates increase the cost of new debt and interest cost of outstanding variable rate borrowings. We do not currently use any derivative instruments to modify the nature of its debt so as to manage interest rate risk.

Commodity Price Risk

Price of Fuel

Once our power projects enter commercial operation, we become dependent upon our suppliers for our coal requirements. With respect to those PPAs where fuel is not a complete pass through expense, we will be subject to variations in the price of coal at rates fixed by such companies.

The Company is exposed to upward fluctuations in the price and availability of the primary raw materials it requires for implementation of its projects. Of our commodity-driven risks, we are primarily exposed to risks associated with the wholesale marketing of electricity, including the generation, fuel procurement and power trading of electricity.

We have entered into certain long-term fuel supply agreements and long-term contractual obligations for sales of electricity to other load-serving entities. See "Business" on page [•] of this Draft Red Herring Prospectus for more information.

Foreign Currency Exchange Rate Risk

The Company is exposed to foreign exchange rate risk on account of foreign currency denominated contracts for capital equipment, import of raw materials under fuel supply agreements, and foreign currency borrowings. We currently do not hedge against this foreign currency exchange rate risk.

Known Trends or Uncertainties

Other than as described in this Draft Red Herring Prospectus, particularly in the sections "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page [•] and [•], respectively, of this Draft Red Herring Prospectus, to our knowledge, there are no trends or uncertainties that have or had or are expected to have a material adverse impact on the Company's income from continuing operations.

Unusual or Infrequent Events or Transactions

As otherwise described in this Draft Red Herring Prospectus, to our knowledge, there have been no events or transactions that may be described as "unusual" or "infrequent".

Seasonality of Business

Our operations may be adversely affected by difficult working conditions during the summer months and during monsoon season that restrict our ability to carry on power supply activities and fully utilise our resources. Nevertheless, we do not believe that our business is seasonal.

Competitive Conditions

We expect competition in the power industry from existing and potential competitors to intensify. For further details regarding our competitive conditions and our main competitors, see the sections "Risk Factors" and "Business" beginning on pages [•] and [•], respectively, of this Draft Red Herring Prospectus.

Significant Developments after September 30, 2007 that may affect our future Results of Operations

In compliance with AS-4 "Contingencies and Events Occurring after the Balance Sheet Date" issued by ICAI, to our knowledge, no circumstances other than as disclosed in this Draft Red Herring Prospectus have arisen since the date of the last financial statements contained in the Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, the operations or profitability of the Company, or the value of its assets or its ability to pay its material liabilities within the next 12 months.

Future Relationship between Costs and Income

Other than as described in the sections "Risk Factors" and "Management's Discussion and Analysis of

Financial Condition and Results of Operations" beginning on pages [•] and [•], respectively, of this Draft Red Herring Prospectus, to our knowledge, there are no known factors which will have a material adverse impact on our operations and finances.

Significant Dependence on a Single or Few Customers

For details, please refer to the sections "Risk Factors" and "Business" beginning on pages [•] and [•], respectively, of this Draft Red Herring Prospectus.

FINANCIAL INDEBTEDNESS

Our aggregate borrowings (consolidated) as of December 31, 2007 are as follows;

(in Rs. million)

S. No.	Nature of Borrowing	Amount
1.	Secured Borrowings	14,186.22
2.	Unsecured Borrowings	5.78

The details of our secured borrowings are as follows:

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of December 31, 2007	Repayment and Interest	Security
1.	JSWEL, ICICI (Lead Institution) and ICICI, Industrial Development Bank of India, Punjab National Bank, State Bank of India, Life Insurance Corporation of India, Industrial Reconstruction Bank of India, General Insurance Corporation of India Limited, New India Assurance Company Limited, United India Insurance Company Limited, National Insurance Company Limited, Oriental Insurance Company Limited (Lenders) dated March 27, 1997	Rupee Loan Agreement	Rs. 1,610 mn Amount drawn down Rs. 1,607.85 million	Rs. 373.75 million	Repayment is in 40 Equal quarterly instalments for all Lenders, other than Punjab national Bank. For Punjab National Bank, 20 equal quarterly instalments. The first Repayment date is January 15, 2000. Interest shall be paid at the applicable rate as prevailing on the date of such disbursement out of the loan.* The interest on all loans on all monies accruing due shall in case not paid on their due dates, shall be the higher of the applicable rate in respect of that institution The applicable rate shall be the rate of interest on the	(i) First ranking mortgage in favour of Security Trustee of all the Company's immovable properties in Maharashtra and its intangible assets. (ii) First charge by way of hypothecation in favour of Security Trustee of all the Company's moveable assets, including movable machinery, machinery spares, tools and accessories (iii) An equitable mortgage in favour of Security Trustee of the Company's immovable assets in Karnataka. (iv) First ranking security in favour of Security Trustee over amounts held by Company in any bank accounts outside India. The security created above shall rank pari passu with security created in favour of: - Security Trustee for securing the guarantee assistance under the JTPC Guarantee Agreement and the Company's obligations under the CAG Facility Agreement. - Debenture trustee for securing debentures under the Debenture Trust Deed. - Any person who finances the dollar shortfall or rupee shortfall by way of loans or subscription for debentures.

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of December 31, 2007	Repayment and Interest	Security
					principal amount of the Loan outstanding to the State Bank of India at any point. * in the event of default in payment of any instalment of principal of the Loan, interest to other monies becoming due on their respective dates, the Company shall have to pay the lenders liquidated damages on such defaulted amounts at the rate of 5.15 percent p.a. for the period of such default.	- Company's banks for securing borrowing for working capital requirements, provided it shall not exceed Rs. 500 mn.
2.	Subscription Agreement between JSWEL and ICICI Limited (trustee), SCICI limited and Industrial Finance Corporation of India Limited dated March 27, 1997	Debentures	Secured Redeemable Non Convertible Debentures of ten million Rupees each aggregating to Rs. 1700 million	Rs. 265.91 million	The debentures shall be redeemed in 50 equal quarterly instalments. The first payment date is January 15, 2000. Interest shall be payable at the applicable rate as per the agreement* The interest on all the Debentures and all monies accruing under due agreement shall , in case	(i) First ranking mortgage in favour of Debenture Trustee of all the Company's immovable properties in Maharashtra and its intangible assets. (ii) First charge by way of hypothecation in favour of Debenture Trustee of all the Company's moveable assets, including movable machinery, machinery spares, tools and accessories (iii) An equitable mortgage in favour of Security Trustee and the Debenture Trustee of the Company's immovable assets in Karnataka. (iv) First ranking security over amounts held by Company in any bank accounts outside India. The security created above shall rank pari passu with

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of December 31, 2007	Repayment and Interest	Security
					not paid on their due dates , shall be the higher of the rate applicable in respect of that institution * in the event of default in redemption of debentures, interest or other monies becoming due on their respective dates, the Company shall have to pay the lenders liquidated damages on such defaulted amounts at the rate of 5.15 percent p.a. for the period of such default.	security created in favour of: - Security Trustee for securing the Company's obligations under the Loan Agreement, JTPC Guarantee Agreement and the CAG Facility Agreement. - Any person who finances the dollar shortfall or rupee shortfall by way of loans or subscription for debentures. Company's banks for securing borrowing for working capital requirements, provided it shall not exceed Rs. 500 mn.
3.	Rupee Term Loan Agreement between Power Finance Corporation Limited (Lender) and JSWEL (Borrower) dated February 24, 2003	Rupee Loan Agreement	Rs. 650 million Amount drawn down 630.68 million	Rs. 306.82 million	Repayment is in 37 equal Quarter instalments The first instalment will become due on April 15, 2003 Interest shall be charged at the rate prevailing on the date of each disbursement* * in the event of default in payment of any instalment of principal of the Loan, interest to other monies	(i) First ranking mortgage in favour of Second Additional Security Trustee all of the Borrower's immovable properties in Maharashtra and its intangible assets. (ii) First charge by way of hypothecation on all movable assets of the Company. (iii) An equitable mortgage of the Company's immovable assets in Karnataka. (iv) Pledge if favour of the Second Additional Security Trustee of 62% of the share capital of the Company. We have written to PFC for waiver of this condition. (v) Floating charge on the general assets of the Company.

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of December 31, 2007	Repayment and Interest	Security
					becoming due on their respective dates, the Company shall have to pay the lenders liquidated damages on such defaulted amounts at the rate of two percent p.a. for the period of such default compounded on a quarterly basis.	
4.	Foreign Currency Loan Agreement between Power Finance Corporation Limited (Lender) and JSWEL (Borrower) dated February 24, 2003	Foreign Currency Loan Agreement	USD 44.5 million Amount drawn down USD 41.72 million	USD 16.15 million	Repayment is in 31 equal Quarter instalments The first instalment was due on April 15, 2003 Floating rate of interest linked to six monthly USD Libor plus a margin of 2.4% p.a.* * in the event of default in payment of any instalment of principal of the Loan, interest to other monies becoming due on their respective dates, the Company shall have to pay the lenders liquidated damages on such defaulted amounts at the	(i) First ranking mortgage in favour of Second Additional Security Trustee all of the Borrower's immovable properties in Maharashtra and its intangible assets. (ii) First charge by way of hypothecation on all movable property of the Company. (iii) An equitable mortgage of the Company's immovable assets in Karnataka. (iv) Pledge if favour of the Second Additional Security Trustee of 62% of the share capital of the Company. We have written to PFC for waiver of this condition. (v) Floating charge on the general assets of the Company.

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of December 31, 2007	Repayment and Interest	Security
					rate of two percent p.a. for the period of such default compounded on a quarterly basis.	
5.	Rupee Loan Agreement between JSWEL and State Bank of Hyderabad dated January 20, 2005	Rupee Loan Agreement	Rs. 500 million Amount drawn down Rs. 297.23 million	Rs. 162.59 million	Repayment is in 25 equal quarterly instalments. The first instalment shall be due on April 15, 2005. Interest is payable at a rate of 6.75% p.a. for the first three years after which the rate can be reset.* * in the event of default in payment of principal, interest or other monies becoming due on their respective dates, the Company shall have to pay the lenders penal interest on such defaulted amounts at the rate of two percent p.a. for the period of such default.	(i) First ranking mortgage in favour of Third Additional Security Trustee of all the Company's immovable properties in Maharashtra, moveable assets, including movable machinery, machinery spares, tools and accessories and its intangible assets and further including, the right, title and interest of the Company in any governmental permits, authorisations, approvals, no-objections, etc. (ii) An equitable mortgage in favour of Third Additional Security Trustee of the Company's immovable assets in Karnataka. (iii) The security interest in the shares created by Buyback Agreement and Escrow Agreement in favour of IDBI shall rank senior in priority over the security interest created by this agreement (iv) First pari passu charge on the entire fixed assets of the Company. The security created above shall rank pari passu with security created in favour of: - Security Trustee for securing loan under the Rupee Term Loan Agreement and the Company's obligations under the CAG Facility Agreement. - Debenture trustee for securing debentures - Additional Security Trustee for securing the Company's obligations under the Additional Rupee Loan Agreement. - Company's banks for

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of December 31, 2007	Repayment and Interest	Security
						securing borrowing for working capital requirements, provided it shall not exceed Rs. 500 mn.
6.	Rupee Loan Agreement between JSWEL and State Bank of Patiala Dated March 28, 2005	Rupee Loan Agreement	Rs. 150 million Amount drawn down Rs. 150 million	Rs. 25 million	Repayment is in 12 equal quarterly instalments The first repayment date shall be July 15, 2005. Interest is to be paid at a fixed rate of 6.75% p.a.* * in the event of default in payment of principal or interest or other monies becoming due on their respective dates, the Company shall have to pay the lenders penal interest on such defaulted amounts at the rate of two percent p.a. for the period of such default.	(i) First ranking mortgage in favour of Third Additional Security Trustee of all the Company's immovable properties in Maharashtra and its intangible assets and further including, the right, title and interest of the Company in any governmental permits, authorisations, approvals, no-objections, etc. (ii) Charge by way of hypothecation of all the Company's moveable assets, including movable machinery, machinery spares, tools and accessories (iii) An equitable mortgage in favour of Third Additional Security Trustee of the Company's immovable assets in Karnataka. (iv) First pari passu charge on the entire fixed assets of the Company. The security created above shall rank pari passu with security created in favour of: - Security Trustee for securing loan under the Rupee Term Loan Agreement and the Company's obligations under the CAG Facility Agreement. - Debenture trustee for securing debentures - Additional Security Trustee for securing the Company's obligations under the Additional Rupee Loan Agreement. - Second Additional Security Trustee for securing the Company's obligations under the PFC Loan Agreements - Third Additional Security Trustee for securing the Company's obligations under the Third Additional Financing

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of December 31, 2007	Repayment and Interest	Security
						Documents - Company's banks for securing borrowing for working capital requirements, provided it shall not exceed Rs. 500 mn.
7.	Debenture Trust Deed between JSWEL and UTI Bank Limited (Trustee) dated August 30, 2005	Debenture Trust Deed	Secured Redeemable Non Convertible Debentures of one million Rupees each aggregating to Rs. 1000 million	Rs. 642.86 million	Eight percent	(i) Second ranking mortgage and charge on all immovable assets of the Company. (ii) Second ranking mortgage and charge on all movable and immovable assets of the Company. (iii) Second ranking charge by way of assignment of all rights, titles and interests of the Company in, to and in respect of all assets of the 260 MW Project and in all Project Agreements/contracts/licences insurance contracts in favour of the debentureholders in pari passu basis with other lenders. (iv) A second charge on the no lien Trust and Retention Account/ Escrow Account, in which the entire cash inflows shall be deposited by the Company as provided under the Trust and Retention Account Agreement dated March 27, 1997. (v) Charge on all other assets of the Company located in the State of Maharashtra (other than its movable assets). (vi) Pledge of JSWSL's shares to the extent of 1.25 times of the value of the debentures.
8.	Loan Agreement amongst JSWEVL (Borrower) and IDBI (lender's agent) and IDBI trusteeship services limited	Loan Agreement	Rs. 13,950 million Amount drawn down Rs. 3982.91 million	Rs. 3982.91 million	Repayment shall be in 32 equal quarterly instalments beginning form July 1, 2009. Interest is payable on the first day of	(i) First mortgage and charge of all JSWEVL's immovable properties. (ii) First charge by way of hypothecation of all JSWEVL's movable properties. (iii) First charge by way of an assignment by JSWEVL of: all receivables, accounts and book debts, both

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of December 31, 2007	Repayment and Interest	Security
	(Security trustee) and lenders (IDBI, PNB, Syndicate Bank, Canara Bank, Union Bank of India, Vijaya Bank, Oriental bank of Commerce, Dena Bank) dated October 6, 2006.				each month at the applicable rate.* * In the event of default in payment of any instalment of principal of the Loan, interest to other monies becoming due on their respective dates, the company shall have to pay the lenders liquidated damages on such defaulted amounts at the rate of two percent pa for the period of such default.	present and future, with respect to the project, right, title and interest of the borrower into and under all the project documents and guarantees, securities, performance warranties, indemnities that may be furnished in favour of JSWEVL by various contractors, right title and interest of JSWEVL in trust and retention accounts agreement and in, to and under all the government approvals and insurance policies with respect to the project. (iv) First charge on all intangible assets of JSWEVL including goodwill and uncalled capital of JSWEVL. (v) Pledge of JSWEL's shareholding in JSWEVL aggregating to 51% of the total equity share capital which shall be reduced to 26% after 2 years from COD.
9.	ICICI Rupee Facility Agreement amongst JSWEL (Borrower) and ICICI Bank Limited (Rupee Lender) dated December 14, 2006	Rupee Facility Agreement	Rs. 3000 million Amount drawn down Rs. 3000 million	Rs. 3000 million	Repayment is in 24 equal quarterly instalments. (The first repayment date shall be the date following the 18th Fiscal Quarter after initial drawdown date) Interest until the first reset date is 3.25% pa below the sum of IBAR and Term Premium. On each interest reset date, the applicable rate shall be reset to a rate	(i) A charge/ assignment/ security interest on the irrevocable, no lien Trust and Retention Accounts of the Company. (ii) A charge and mortgage on all immovable and moveable assets of the Company. (iii) A charge/ assignment/ security interest on all the revenues/receivables of the Company. (iv) A charge/ assignment/ security interest on rights, titles and interests of the Company in respect of all project documents/contracts/licen ses including insurance contracts Provided than the charge/ assignment/security interest mentioned above shall rank: second and subordinate to the existing charges/ assignments/ security interests created in favour of those lenders of the

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of December 31, 2007	Repayment and Interest	Security
					equal to 3.25% pa below the sum of the then prevailing IBAR and Term Premium.	Company having first charge; and pari passu with the charge/ assignment/ security interest created or to be created in favour of those lenders of the Company having second charge. (v) A pledge of 9.4 million equity shares held by the Company in JSWSL constituting 5.98% of the issued and paid up equity capital of JSWSL. (vi) Security above shall rank pari passu, with charge assignment security interest in favour of the lenders of the borrowers having first charge.
10.	ICICI Senior Rupee Facility Agreement between JSWEL (Borrower) and ICICI Bank Limited (Senior Rupee Lender) dated December 14, 2006	Rupee Facility Agreement	Rs. 3000 million Amount drawn down Rs. 3000 million	Rs. 3000 million	Repayment shall be in 24 equal quarterly instalments. (The first repayment date shall be the date following the 18th Fiscal Quarter after initial drawdown date) Interest until the first reset date is 3.25% pa below the sum of IBAR and Term Premium. On each interest reset date, the applicable rate shall be reset to a rate equal o 3.25% pa below the sum of the then prevailing IBAR and Term Premium.	(i) A charge/ assignment/ security interest on the irrevocable, no lien Trust and Retention Accounts of the Company. (ii) A charge/ assignment/ security interest on all the revenues/ receivables of the Company. Provided that the charge/ assignment/security interest mentioned above shall rank: second and subordinate to the existing charges/ assignments/ security interests on the irrevocable, no lien Trust and retention Accounts of the Company created in favour of those lenders having first charge; and pari passu with the charge/ assignment/ security interest created or to be created in favour of those lenders of the Company having second charge. (iii) A first mortgage and charge on al the immovable and moveable assets of the Company. (iv) A first charge/ assignment/ security interest on rights, titles and interests of the Company in respect of all project documents/contracts/licenses including insurance contracts

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of December 31, 2007	Repayment and Interest	Security
						Provided that the charge/ assignment/security interest mentioned above shall rank pari passu with the charge/ assignment/ security interest created in favour of those lenders of the Company having first charge. (v) A pledge of 9.4 million equity shares held by the Company in JSWSL constituting 5.98% of the issued and paid up equity capital of JSWSL.
11.	Rupee Facility Agreement against State Bank of India (Issuing Bank) and Andhra Bank, Bank of India, Central Bank of India, Dena Bank, India Infrastructure Finance Company Limited, Indian Bank, Life Insurance Corporation of India, L & T Infrastructure Finance Company Limited, Oriental Bank of Commerce, Punjab National Bank, Punjab & Sind Bank, State Bank of Hyderabad, State Bank of India, State Bank of Indore, State Bank of Mysore, State Bank of Patiala, State Bank of Travancore, State Bank of Saurashtra, Small Industries Development Bank of India,	Rupee Facility Agreement	Rs. 33,750 million Amount drawn down Nil	Nil	Repayment to the Rupee Lenders (except India Infrastructure Finance Company Limited and L&T Infrastructure Finance Company Limited) is in 40 equal quarterly instalments; to India Infrastructure Finance Company Limited in 48 quarterly instalments and for L&T Infrastructure Finance Company Limited in 120 monthly instalments The first repayment date is from September 30, 2011. Interest shall be paid as per the lending rate.	(i) a first ranking mortgage and charge / Security Interest in favour of the Security Trustee, in respect of: - all the Borrower's immovable properties both present and future; - all the Borrower's movable properties and assets, both present and future; - all tangible and intangible assets including but not limited to the goodwill, undertaking and uncalled capital of the Borrower; - all revenues and receivables of the Borrower from the Project or otherwise; - all of the Borrower's rights, titles and interest in respect of the assets and its rights under each of the Project Documents, duly acknowledged and consented to, where required, by the relevant counter-parties to such Project Documents, all the Borrower's rights under each letter of credit/guarantee or performance bond that may be posted by any party to a Project Documents for the Borrower's benefit and all the Borrower's rights under the Clearances (including all contract, licences, permits, approvals, concessions and consents in respect of or in connection with the Project, to the extent

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of December 31, 2007	Repayment and Interest	Security
	Vijaya Bank, United Bank of India (Rupee Lenders) and JSWERL (Borrower) and State Bank of India (Facility Agent) dated August 2, 2007					assignable under Applicable Law); - all the Borrower's accounts, (including but not limited to the Accounts and the Permitted Investments) and each of the other accounts required to be created by the Borrower under any Transaction Document, including without limitation, the Trust and Retention Accounts Agreement; including in each case, all monies lying credited/deposited into such accounts; - all the Insurance Contracts (and cut through clauses in respect of, or assignments of reinsurances, as applicable) naming the Security Trustee as an additional insured/sole loss payee (as may be required by the Lenders); (ii) a first ranking pledge in respect of 51% of the total, issued and paid up Shares of the Borrower till the date falling two years from the Project COD and thereafter in respect of 26% of the total, issued and paid up Shares of the Borrower till the Final Settlement Date (provided there is no payment Event of Default under the Financing Documents) and the execution by the Pledgor and the Borrower of a Share Pledge Agreement in favour of the Security Trustee;
12.	Rupee Facility Agreement amongst Punjab National Bank (issuing bank), ICICI Bank Limited, IDBI Limited, Indian Bank, Punjab National Bank, India Infrastructure Finance	Rupee Facility Agreement	Rs. 37,500 million Amount drawn Rs.1190.60 million	Rs. 1190.60 million	Repayment is in 48 Quarterly Instalments First Repayment Date is the immediate date falling 6 months after the project COD or the date falling at the end of 54	(i) a first ranking inter se *pari passu* mortgage and charge over: - all the Borrower's immoveable and moveable properties, both present and future; - all tangible and intangible assets of the Borrower including but not limited to its goodwill, undertaking and uncalled capital, both present and future; - all revenues and

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of December 31, 2007	Repayment and Interest	Security
	Company Limited, Infrastructure Development Finance Company Limited, United Bank of India, Canara Bank, Bank Of India, Life Insurance Corporation of India, Vijaya Bank, Rural Electrification Corporation Limited (rupee lenders), RWPL (borrower) and ICICI Bank Limited (facility agent) dated September 3, 2007				months from financial close, whichever is earlier. Interest shall be paid as per the lending rate.* * Without prejudice to the obligations of the RWPL under this Agreement and the other financing documents, all monies accruing due to or incurred/paid by the lenders under this agreement or any other Transaction Document, shall, in case the same be not paid on the respective due dates, carry further interest / liquidated damages at the default rate which is over one percent per annum over the lending rate.	receivables of the Borrower, whether from the Project or otherwise, both present and future; - all of the Borrower's rights, title and interest under each of the Project Documents, duly acknowledged and consented to, where required, by the relevant counter-parties to such Project Documents, all the Borrower's rights under each letter of credit/guarantee or performance bond that may be posted by any party to a Project Documents for the Borrower's benefit and all the borrower's rights under the Clearances (to the extent assignable under Applicable Law); - all the Borrower's accounts, (including but not limited to the Accounts and the Permitted Investments) and each of the other accounts required to be created by the Borrower under any Transaction Document, including without limitation, the Trust and Retention Account Agreement; including in each case, all monies lying credited/deposited into such accounts but excluding the Distribution Account and all monies lying in the Distribution Account or liable to be credited to the Distribution Account; - all the Insurance Contracts (and cut through clauses in respect of, or assignments of reinsurances, as applicable) naming the Security Trustee and the Facility Agent as an additional insured (as may be required by the Lenders); (ii) a first ranking pledge in respect of 30% of the

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of December 31, 2007	Repayment and Interest	Security
						total issued and paid up Shares of the Borrower from time to time which may be reduced to 26% upon completion of one year of satisfactory performance of the Project from the Project COD as determined by the Lenders;

Under these agreements the company taking the loan has to:

i. inform Lender of any action taken by any creditor against the Company of an application of winding up or any other notice filed which may affect the title to the Company's properties.

ii. inform the corporation of any adverse change in profits or any factors adversely affecting production.

iii. keep the properties insured.

iv. maintain all accounts and audit.

v. install and maintain an accounting and cost control system.

Also, the Company cannot, without the approval of the lenders:

i. change the management or control of the Company.

ii. alter MoA and AoA.

iii. undertake new projects, diversification, modernization or substantial expansion of the Project, without prior permission of the Corporation.

iv. issue any debentures, raise any loans, accept deposits from public, issue equity or preference capital, change its capital structure or create any charge on its assets or give any guarantees without the prior approval of the Corporation, except those done in the ordinary course of business.

v. prepay any other loans.

vi. pay commission to its promoters, directors, managers or other persons for furnishing guarantees or indemnities or for undertaking any other liability.

vii. declare any dividend

viii. create any subsidiaries

ix. undertake any merger, consolidation, reorganisation, scheme or arrangement or compromise with its creditors or shareholders.

x. make any investments without the prior approval of the Corp.

xi. revalue its assets

xii. undertake any other activity than present trading activity.

xiii. agree that all other loans shall be subordinate to this debt.

xiv. take reasonable steps to terminate/modify the existing selling/purchasing arrangements in such manner as may be required by PFC. No fresh arrangement will be entered into by the Company.

xv. amend the project agreements.

xvi. suspend or terminate or act in any manner which would entitle the contractors to terminate the contracts.

xvii. create any charges during all or any of their properties and assets during currency of loan.

xviii. pull down or remove any building which is part of the specifically mortgaged premises unless restored forthwith or replaced with a similar value.

xix. sell or dispose of mortgage premises.

Loan for buying additional premises

JSWSL, JSWPTC, Windsor Residency Private Limited (collectively the "Borrowers") and Punjab National Bank have entered into an agreement on December 29, 2007 whereby PNB has agreed to grant a loan of Rs. 3,600 million. The repayment is to be in 40 equal quarterly instalments, with the first instalments falling on October 31, 2009. As security for the land the Borrowers have agreed to create a mortgagee over the properties, the development for which the loan is being taken. Windsor Residency Private Limited has also agreed to submit a corporate guarantee of Rs. 1400 crores as additional security of repayment of its share of loan. The amount drawndown as of December 31, 2007 is Rs. 600 million and the amount outstanding for this loan is Rs. 600.18 million.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our subsidiaries, our Directors, our Promoter and our Promoter Group and there are no defaults, non payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issue by the Company and its Subsidiary, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company and its subsidiary and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, its Subsidiary, its Promoters, Promoter Group and Directors.

I. Litigation involving the Company

Cases against the Company

Writ Petitions

In 2005, the GoHP invited proposals from private parties to establish and operate Hydro electric power plants of various capacities in various districts of Himachal Pradesh. The Kutehr project was allotted to M/s. DSC-Himal Venture and as the per allotment letter, they were required to deposit 50% of the upfront premium at the time of allotment of the project. However, as M/s. DSC-Himal Venture did not deposit the required amount, the State Government cancelled the allotment made to them inter alia and awarded the project to JSWEL after it agreed to match the offer of M/s. DSC-Himal Venture and it deposited the upfront premium as per the condition of its allotment.

Being aggrieved by the cancellation order of the State Government, M/s. DSC-Himal Venture filed a writ petition in the High Court of Himachal Pradesh in August, 2007 challenging the decision of State Government and alleging malafides in allotting the project to JSWEL. JSWEL has also been made party to these proceedings. The matter is pending for final hearing. The High Court by its interim order has clarified that if during the pendency of the petition, JSWEL alters its position in any manner it shall be doing so entirely at its own risk and responsibility.

Civil Cases

JSWEL, entered into an-off shore contract with Raytheon Ebasco Overseas Limited ("REOL") for supply of equipments and related services. Demands were raised by Income Tax Department with respect to the payments made to REOL under the contract, for non deduction of TDS from the payments made. Penalty proceedings were initiated by the IT department and a penalty order was passed. In accordance with the contract between JSWEL and REOL, REOL had given a performance bond of USD 7.739 million to JSWEL. JSWEL intended to invoke the bond to make necessary payments to the IT Department. REOL objected to the recovery and initiated legal proceedings against JSWEL which were carried to the Supreme Court and by a consent order dated February 24, 1999 the Supreme Court directed JSWEL to encash the performance bank guarantee to the extent required to satisfy the demands raised by the IT Department. The Court also directed that in the event JSWEL was successful in its appeal filed against the levy of penalty order and interest orders of the income tax authorities and any amounts are refunded back, the amounts should be repatriated to REOL. JSWEL was successful in the appeal, but the decision was appealed against before the Karnataka High Court. The matter is currently pending.

Meanwhile, when JSWEL filed the scheme of arrangement to demerge the investment division into JSWEIPL, REOL has filed its objections to the scheme as its creditors. Both the parties have mutually agreed and filed their consent terms before Bombay High Court, wherein they agreed that JSWEL would deposit an amount of Rs. 200 million in Bombay High Court and would obtain the necessary approvals for repatriating the amount to REOL and that REOL shall furnish to JSWEL an irrevocable Stand by Letter of Credit which shall be encashable by JSWEL within a period of four weeks of the demand notice from the IT department pursuant to decision of Karnataka High Court in the appeal unless a stay order is obtained for recovery of Rs. 233 million.

Cases by the Company

Cases at the Supreme Court

JSWEL signed a PPA with KPTCL on November 7, 2000, which was valid for 5 years from August 1, 2000. JSWEL contended that the PPA does not require approval from the Karnataka Electricity Regulatory Commission as a Government Order fixing the tariff was passed. However, KPTCL preferred to obtain KERC's approval and forwarded the PPA to KERC. KERC took 18 months to process the request and passed an order on May 22, 2002 directing KPTCL to re-negotiate with JSWEL on certain norms and standards.

Pursuant to the order, KPTCL called JSWEL for negotiations. However, the parties could not come to a mutual arrangement. Accordingly, KPTCL sought further orders from KERC which gave its final order revising the tariffs to those lower than the rates fixed in the PPA.

JSWEL filed an appeal against KERC's order in the High Court of Karnataka which passed an interim order stating that KPTCL can recover computed arrears for the period from August 1, 2000 to October 31, 2002 in 10 instalments and that the payments from the November 2002 shall be made at the rate of Rs. 2.48 per unit. JSWEL filed a memo before the Karnataka High Court seeking clarifications from the court on interpretation of the order. The Court passed its final order setting aside KERC's orders and directed KPTCL to pay the difference in tariff for the period 1st August 2000 to 31st March 2004, amounting to Rs 1,050 million.

KPTCL and KERC filed a special leave petitions before the Supreme Court respectively challenging the order. The Supreme Court tagged the SLPs together. JSWEL filed a counter affidavit to the SLP filed by KERC. During the hearing, Supreme Court opined that the matter involves questions of larger importance and that these SLP be tagged along with similar cases pending before the other benches and the matter be referred to Chief Justice of India for constitution of a larger bench to deal with these SLPs. JSWEL filed an interim application for early hearing and interim relief. An interim order was passed by the Court, directing KPTCL to make a payment of Rs. 500 million by March 1, 2007 and another Rs. 500 million by April 1, 2007 against the receipt JSWEL furnishing a bank guarantee in respect the amount so deposited. KPTCL has since made the payment and JSWEL has furnished a bank guarantee for the same. The matter is pending disposal in the Supreme Court.

Cases in the High Court

1. The Bellary Urban Development Authority ("BUDA") under Karnataka Town and Country Planning Act directed JSWEL to pay a sum of Rs. 9.05 million towards betterment charges on the grounds that there was change in use/development of land/building at Toranagallu, Bellary district. The levy was disputed by JSWEL on the ground that there was no change in the usage of the land from the time of its allotment. BUDA did not agree with the same and served a notice of seal on the office premises of JSWEL at Toranagallu. JSWEL challenged filed a writ petition in the High Court of Karnataka the same through a The High Court of Karnataka by its interim order ordered JSWEL to pay Rs. 3 million to BUDA as interim measure and directed BUDA to redeliver the possession of the property to JSWEL and posted the matter for final disposal.

2. JSWEL filed two writ petitions in 2003 questioning the levy of an interest under section 234B and 234C of the Income Tax Act for non payment of advance tax aggregating to Rs. 11.66 million for two assessment years. The Company disputed the same on the ground that the liability to pay advance tax fastened on the company after the completion of the year due to a retrospective amendment to section 115JB of the Act and that it was impossible to comply with this provision as the due date for payment of advance tax had already expired by the time amendment to Section 115JB was given effect to. The Karnataka High Court by its interim orders stayed the recovery of demands raised by the IT department, subject to JSWEL depositing Rs. 5.50 million for demands raised by the department. The High Court by its order dismissed both the writ petitions. JSWEL filed a writ appeal in the Karnataka High Court against this and the Court stayed the further recovery of the interest amount, provided the Company provide bank guarantees. JSWEL has issued a bank guarantee for the balance amount of Rs. 6.16 millions. However, the IT department recovered the balance interest amount from the refunds that

were due to JSWEL and has returned the bank guarantees. The final hearing of the appeal is pending.

Contingent Liabilities of the Company as of September 30, 2007:

	Description	Rs. in million
1.	Bank Guarantees Outstanding	1,000.00
2.	Income Tax matters	107.02
3.	Security and Collateral provided	10.00

II. Cases involving the Subsidiaries

A. JSW Energy (Vijayanagar) Limited

Litigation involving JSWEVL: Nil

Contingent liabilities as of September 30, 2007: Nil

B. JSW Energy (Ratnagiri) Limited

Litigation involving JSWERL

High Court

A public interest petition was filed by Ratnagiri Jilla Jagruk Manch in the High Court of Mumbai on October 5, 2006 challenging the decision of the Maharashtra Pollution Control Board ("MPCB") granting environment clearance to the proposed power project at Jaigarh, Ratnagiri executed by JSWERL, on the grounds that no proper enquiry was conducted, the procedure established by law for public hearing was not followed and that the committee was not properly established. The High Court passed an order directing the MPCB to carry out a survey of the project site in association with the National Environmental Engineering Research Institute ("NEERI") and submit its report. Accordingly, a report was submitted. The petitioner filed an additional affidavit alleging that the committee of NEERI and MPCB have not considered certain vital environmental aspects of the project and prayed for the appointment of another committee to survey the project site again and submit a report on the impact of power project on the environment. JSWERL has filed its reply. The case is currently pending.

Environment Cases

An appeal was filed by Balachandra Bhikaji Nalawade, a resident of Ratnagiri, before the National Environment Appellate Authority, Delhi against JSWERL amongst others, against the environment clearance given to set up the JSWERL power project at Ratnagiri by the MoEF. In the appeal, the appellant has requested for stay on the environment clearance, quash the environmental clearance, and also for appointment of an independent commission to verify the impact of power project on environment and also on mango orchards, fisheries and agriculture. JSWERL has filed a reply and the appeal is currently pending.

Contingent liabilities as of September 30, 2007: Nil

C. Raj WestPower Limited

Litigation involving RWPL

Writ Petitions

A writ petition was filed by Kisan Bhumi Awapti Samiti, Barmer in the High Court of Rajasthan against the GoR and RWPL amongst others. In the Writ petition, the petitioner had prayed for quashing of the permission granted to RWPL to operate the lignite mining and the thermal power plant constructed by on various grounds, interalia, population displacement, inadequate rehabilitation package, anomaly in valuation of land while arriving at compensation , pollution, impact on the climate and obsolete technology for power generation. RWPL has prepared a reply to the writ petition and the matter is pending.

Contingent liabilities as of September 30, 2007:

	Description	Rs. in million
1.	Bank Guarantees Outstanding	1,297.50

D. JSW Power Trading Company Limited

Litigation involving JSWPTC: Nil

Contingent liabilities as of September 30, 2007: Nil

E. JSW PowerTransco Limited

Litigation involving JSWPTL: Nil

Contingent liabilities as of September 30, 2007: Nil

F. PT Param Utama Jaya

Litigation involving PTPUJ: Nil

Contingent liabilities as of December 31, 2007: Nil

II. Cases involving the Directors

A. Sajjan Jindal

Income Tax Cases

An income tax demand of Rs. 0.07 million was made against Mr. Jindal which was paid by him. The Department of Income Tax has now initiated penalty proceedings against him, which are still pending.

B. Prashant R. Deshpande

Income Tax Cases

An appeal has been filed by Mr. Deshpande against the order of the Commissioner of Income Tax (Appeal II), Bangalore for treating agriculture income as income from other sources, which was disallowed by the Income Tax Authorities. The total amount involved in this matter is Rs. 0.20 million.

III. Cases involving the Promoters

A. Mr. Sajjan Jindal:

For litigations involving Mr. Sajjan Jindal, see "Cases involving Directors" above.

B. PR Jindal

Nil

C. Sun Investments Private Limited

Litigation involving SIPL

Cases filed against SIPL

There are two appeals filed in the High Court of Delhi by the Income Tax Department against the Income Tax Appellate Tribunal's order favouring SIPL. The total amount involved in these cases is Rs.

46.59 million.

Cases filed by SIPL

There are two appeals filed in the High Court of Delhi by SIPL against the Income Tax Appellate Tribunal's order confirming the orders of Commissioner of Income Tax (Appeals). The total amount involved in these cases is Rs. 5.66 million.

Contingent Liabilities as of March 31, 2007:

	Description	Rs. in million
1.	Disputed Income tax Demand	5.66

D. JSW Investments Private Limited

Litigation involving JSWIPL: Nil

Contingent Liabilities as of March 31, 2007: Nil

IV. Cases involving the Promoter Group

A. Jindal Steel & Power Limited

Cases against JSPL

Central Excise Cases

1. JSPL received 16 show cause notices from the central excise authorities on various grounds viz availing of Cenvat credit by it, refunds, wrong classification of the material under the central excise law. JSPL has filed replies in all the show cause notices issued. The matters are pending adjudication. The total amount involved in these appeals is Rs.26.48 million.

2. There are seven appeals filed in the CESTAT by the Central Excise Department, involving Central excise and service tax against the orders of the Commissioner (Appeals) on various grounds. The total amount involved in these disputes is Rs. 9.61 million. The appeals are pending disposal.

3. Two appeals have been filed by the Central Excise Department in the High Court of Bilaspur and Jabalpur, against the decision of CESTAT of granting MODVAT credit to JSPL. The total amount involved in these disputes is Rs. 1.08 million. The cases are at various stages of adjudication.

Notices issued to JSPL

This company has received a notice from the Commercial Tax Officer, Raipur for demand of tax Amount involved here is Rs. 0.07 million.

Electricity Cases

1. The Chhattisgarh State Electricity Board has filed an appeal before the Appellate Tribunal, New Delhi against an order of the Chhattisgarh States Electricity Regulatory Commission, Raipur, which held that this company does not require a transmission line under new Electricity Act, 2003.

2. Chhattisgarh Bio-mass Energy Association has filed a petition before the Chhattisgarh State Electricity Regulatory Commission, Raipur, seeking certain reliefs/ commission in tariff fixation. This company has also been made a party to the dispute.

Cases filed by JSPL

Central Excise Cases

1. There are fifteen appeals filed by JSPL in CESTAT involving central excise and service tax against the

orders of the Commissioner (Appeals) on various grounds. The total amount involved in these disputes is Rs. 190.28 million. The appeals are pending disposal.

2. An appeal has been filed by JSPL in the High Court of Bilaspur and Jabalpur, against the decision of CESTAT in not granting the MODVAT credit on explosives used in the coal mine in the 2002. The total amount involved in this dispute is Rs. 3.01 million. The appeal is pending.

Writ Petitions

1. JSPL has filed a writ petition against the Railway Authorities in various High Courts disputing the penalty charged by them against overloading the Railway Rakes. Presently, stay orders have been obtained in this matter. The total amount involved in this petitions is Rs. 12.34 millions.

2. JSPL has filed a writ petition before the Chhattisgarh High Court against the order of the Commissioner of Central Excise, Raipur for withdrawal of erroneous demand of Rs. 15.5 million. JSPL has deposited Rs. 10 million under protest and subsequently the stay order has been passed by the Court and the case is currently pending. The amount involved in this case is Rs. 15.5 million.

Service Tax

JSPL filed a case of cenvat credit of service tax with Appellate Court, Raipur. The amount involved in this case in Rs. 1.52 million and is currently pending.

Electricity Cases

1. A SLP was filed in the Supreme Court against an order of the High Court of Chhattisgarh in respect of imposition of energy development cess at 10 paise per unit of sale or supply of electricity.

2. An application was filed before the Chhattisgarh State Electricity Regulatory Commission, Raipur for revival and amendment of the transmission license granted to this company.

3. An appeal was filed before the Appellate Tribunal against an order of the Chhattisgarh State Electricity Regulatory Commission, Raipur, which it held that the permission granted by the State Government to this company under section 28 of the Electricity Act, 1910 to was inconsistent with the Electricity Act, 2003.

4. Two appeals were filed before the Appellate Tribunal for Electricity, New Delhi after having been remanded back by the Supreme Court for fresh adjudication in various issues regarding the distribution license granted by the Regulatory Commission to this company.

5. A writ petition was filed by this company before the High Court of Maharashtra against the Union of India, in which this company challenged the decision of the Ministry of Coal, Union of India, in not awarding a coal block to it.

Contingent Liabilities as of March 31, 2007:

	Description	Rs. in million
1.	Guarantees issued by this company's Banker on behalf of this company	2,061.0
2.	Letter of credit opened by banks	6,422.6
3.	Corporate guarantees / undertakings issued on behalf of third parties	42.1
4.	Disputed Excise Duty and other demands	302.1
5.	Future liability on account of lease rent for unexpired period	26.3
6.	Bonds executed for machinery imports under EPCG Scheme	6812.4
7.	In respect of various Income Tax cases pending at various stages of appeal with the authorities	113.8

B. JSW Steel Limited

Cases filed against JSWSL

SEBI Related Cases

A penalty was levied on erstwhile JISCO (now merged with JSWSL) under Section 15A of the SEBI Act aggregating to Rs. 0.13 million for non-submission of periodical disclosures required to be made to the stock exchanges under regulation 6(2), 6(4) and 8(3) of the SEBI (Substantial Acquisition of Shares) Regulations, 1997. JISCO agreed for a settlement by consent order with a request to reduce the penalty amount to Rs. 0.10 million on the grounds that it had complied with the regulations for the year 2001. The order of the adjudicating office appointed by SEBI is awaited.

Notices issued against JSWSL

A show cause cum demand notice was issued by the Deputy Commissioner of Central Excise, Kalyan division demanding Rs. 0.23 million in respect of Cenvat credit availed on service tax paid on freight in respect of outward transportation. The matter is pending disposal.

Consumer Cases

Sixteen cases have been filed in various consumer redressal forums across India which are filed in connection with share transfer, demat, non receipt of share certificates by certain individuals, etc. The total amount involved in these matters is Rs. 0.46 million. The cases are at various stages of adjudication.

Income Tax

A writ petition was filed in the High Court of Karnataka by a company, BSAL against the Income Tax Authorities and JSWSL seeking stay of operation of the notice sent by the Income Tax Department where it directed JSWSL not to make any payment to it. The High Court has stayed the operation of the notice of the Income Tax Department. The amount involved is Rs. 21.74 million. The petition is still pending.

Central Excise

1. The Company has received seven show cause notices from the central excise authorities on various grounds under excise law. The amounts involved in these cases are Rs. 139.80 million. All the matters are pending adjudication.

2. An appeal has been filed by the Central Excise Department against an order passed by the CESTAT giving relief to the company on payments of differential duty amount. The matter went to the Supreme Court and was remanded back to the Tribunal for fresh adjudication. The total amount involved here is Rs. 1200 million.

Cases in the Supreme Court

Two SLPs have been filed by the Central Excise Department on different grounds. The total amount involved is Rs. 130 million. The matter is currently pending in the Court.

Writ Petitions

Two writ petitions have been filed in the High Court of Karnataka against the Government of Karnataka by individuals against the order of the government granting mining lease claiming compensation and quashing the communication issued to this company. This company has also been made party to these petitions.

Customs Cases

JSWSL has received seven show cause notices from the Customs Authorities demanding duty amount on various grounds and allegations. The total amount involved in Rs. 413.21 million. The show cause notices are pending adjudication.

Criminal Case

A criminal case was filed by the Regional officer of MPCB against the company for commissioning a captive power plant without obtaining the necessary environmental clearance. This company and the concerned individuals have been granted bail from the Chief Judicial Magistrate Thane. This company has submitted its written submissions and has filed an application for its discharge. The arguments of both parties are completed and the decision of the court is pending.

Civil Cases

1. A civil suit was filed by Mewar Growth Limited in the High Court of Calcutta seeking declaration as the absolute owners of 916,860 equity shares of Bank of Rajasthan valued at Rs. 19.25 million and that the purported transfer and/or sale of the shares in the name of the Company is null and void. The suit is pending for final disposal.

2. An original application was filed by a consortium of banks against Bellary Steel and Alloys Limited ("BSAL") in Debt Recovery Tribunal ("DRT") seeking various sums from BSAL and others. This company is arrayed as garnishee. DRT issued a notice the company to show cause as to why the Company as a sundry debtor of BSAL should not be directed to deposit a sum of Rs. 3.00 million prayed for. The case has currently been stayed as BSAL is before the BIFR.

Cases filed by JSWSL

Income Tax Cases

14 appeals have been filed before various income tax authorities, disputing the orders passed against this company, with respect to various additions/ disallowances made in computing the income of the Company. The total amount involved in these cases is Rs. 1458.03 million. All the cases are currently pending.

Central Excise

This company has filed four appeals in the CESTAT against the orders of confirmation of duties and penalty by the commissioner passed by them. The total duty amount demanded in these four appeals is Rs. 395.79 million. All the appeals are pending for disposal.

Sales Tax Cases

This company has filed two sales tax appeals before the Deputy Commissioner of Sales Tax. The total amount involved in these cases is Rs. 12.92 million. The appeals are pending the disposal.

Cases in the Supreme Court

This company has filed an SLP in the Supreme Court requesting quashing of notification of No. 69 of 2000 on the ground that it makes a distinction between importers and manufacturers of Pig iron and steel on the basis of processes adopted and restricts applicability only to manufactures of pig iron and steel using blast furnace. The amount involved is Rs 26.27 Millions and the matter is pending.

Commercial Tax

The Company received the notice from the Deputy Commissioner of Commercial Taxes upon which an appeal has been preferred, for rectification as there were certain errors in the assessment order. However, as the order in the rectification appeal was not forthcoming within the limitation period for filing an appeal, this company has filed another appeal against the order passed by the Deputy Commissioner of Commercial Taxes. The same is pending. The amount involved is Rs. 31.02 million.

Cases in the High Court

1. An appeal has been filed against an order passed by CESTAT confirming the penalty imposed by the DGFT in the import of the materials under EPCG license by the company. The amount involved is Rs.

0.50 million and is pending before Delhi High Court.

2. An appeal is filed in the Karnataka High Court against the order of the tribunal confirming the order of commissioner of appeals and the demand raised by the department of Rs. 4.31 millions.

3. An appeal was filed in the Bombay High Court by the company against an order of the District Court of Kalyan permitting Murbad Gas Company to recover Rs. 0.78 million towards the cost of 108 empty cylinders. The High Court stayed the execution proceedings and directed the company to deposit the decretal amount of Rs. 0.78 million along with interest. The direction of the court was compiled by the company. The matter is currently pending.

4. One criminal writ petition was filed by this company in the High Court of Bombay against complaints filed by the Enforcement Officers for non payment of Rs. 0.90 million as penalty. This company filed an application against the order of penalty in the Foreign Exchange Appellate Board. The High Court has stayed the operation of the criminal proceedings against the company. The matter is currently pending.

5. Two criminal writ petitions were filed by two officers of this company before the High Court of Bombay for quashing the criminal complaint filed by the Enforcement of Directorate before the magistrate. In one matter a stay has been obtained. The other matter is pending for admission.

6. A writ petition was filed by JSWSL in High Court of Karnataka against the Union of India, amongst others seeking a declaration that a notification passed by the custom authorities was ultra vires the Constitution of India. The high court has passed an order in favour of this company. The Authorities have favoured a writ appeal against the order of the High Court of Karnataka.

Civil Cases

1. This company has filed seven summary suits in the High Court of Bombay for the recovery of Rs. 24.93 million from various parties. The cases are at various stages of disposal.

2. The company has filed four civil suits and two company petitions High Court of Bombay for the recovery of sum of Rs. 212.70 million from various parties. The cases are at various stages of disposal.

Criminal Cases

1. The Company has filed 24 cases under section 138 of the Negotiable Instruments Act against various parties for issuing cheques to the company towards the discharge of their liability for the purchase of the material from the company. The cases are filed in different courts and are at various stages of adjudication. The total amount involved in these cases is Rs. 127.67 million.
2. A criminal complaint was filed by the company for the materials stolen from a truck delivering goods. Investigations in the matter are still in progress.

Labour Cases

Two appeals have been filed by this company against orders passed by the Assistant Provident Fund Commissioner and Provident Fund Commissioner The orders passed by them have been stayed by the High Court of Karnataka. The cases involve Rs. 1.47 million and are currently pending.

Contingent Liabilities as of March 31, 2007:

	Description	Rs. in million
1.	Bill discounted	7497.60
2.	Corporate Guarantee given to Bank against credit facility extended to the Company	620.00
3.	Disputed statutory claims / levies including those pending in courts (excluding interest leviable, if any), in respect of:	
	a) Excise duty net of possible reimbursement	223.30
	b) Custom Duty	990.50
	c) Income Tax	362.80

	Description	Rs. in million
	d) Sales Tax / Special Entry Tax	2.90
	e) Service Tax	34.00
	f) Miscellaneous and other levies by local authorities	127.30
4.	Claims by suppliers and other third parties and counter claims	1013.50

C. Jindal Saw Limited

Cases filed against JSL

Notices issued to JSL

1. JSL received two show cause notices from the Central Excise Commissioner. The matters are pending adjudication. The total amount involved in these appeals is Rs. 0.66 million.

2. JSL received seven show cause notices from the Customs Department. All the matters are pending adjudication. The total amount involved in these cases is Rs. 1.55 million.

3. A show cause notice was issued by the Deputy Commissioner of Sales Tax to JSL. The amount involved here is Rs. 62.63 million.

Cases filed by JSL

Service Tax

JSL filed an appeal in CESTAT with regard to Cenvat credit availed for the service tax paid by it. The amount involved is Rs. 0.10 million.

Trade Tax Cases

Eight appeals are filed by JSL against various authorities against the orders passed by the lower courts. The appeals are still pending. The total amount involved in these cases is Rs. 70.22 million.

***Contingent Liabilities as of March 31, 2007*:**

	Description	Rs. in million
1.	Counter Guarantee given to this company's bankers for Guarantees given by them on behalf of this company	3092.16
2.	Letter of Credit Outstanding (Net of Liabilities provided in the books)	6566.03
3.	Disputed Excise Duty	1.41
4.	Disputed Sales Tax	105.29
5.	Guarantees given to Bank for credit facilities to Jindal Enterprises LLC (Wholly Owned Subsidiary Abroad).	192.95
6.	Liability in respect of Corporate Guarantee (for 100% EOU Unit at Mundra)	569.98

D. Jindal Stainless Limited

Cases against JSLL

Civil Cases

Four civil cases have been filed against JSLL on various grounds. The cases involve an amount of Rs. 0.94 million from this company. The suit is pending.

Central Excise

1. A reference application is filed by the department in the High court of Delhi against the order of the CESTAT with respect Modvat Credit on capital goods namely wires and cables given to JSLL.

The amount involved is Rs. 2.1 million.

2. A showcause notice was issued to this company for Cenvat credit availed on cement, reinforcement steel and structural steel used by this company. The total amount involved is Rs. 200.29 million.

Writ Petitions

NESCO has filed a Writ Petition in High Court of Orissa for quashing the Ombudsman Order in the matter of reduction of contract demand in the Power Supply. JSLL has also been made a party to the petition. The matter is pending and the amount involved is Rs. 155.70 million.

Notices issued to JSLL

A show cause notice was issued by the Orissa State Pollution Control Board against water pollution. JSLL has replied to the same and the decision is awaited.

Miscellaneous

An application has been filed by NESCO for review of Retail Supply Tariff Order of the Orissa Electricity Regulatory Commission. This company has also been made a party in this matter and the matter is pending. The amount involved in this case is Rs. 19 million.

Cases by JSLL

Central Excise Cases

1. One reference application is pending before the High Court of Delhi against the order of CESTAT. The amounts involved here are Rs. 0.16 million.

2. Fourteen appeals are filed before various authorities against disallowance of Modvat/ Cenvat credit availed on various items. The total duty amount involved in these appeals is Rs. 84.65 million. The appeals are at various stages of adjudication.

Income Tax Cases

Three appeals are filed before various authorities with respect to disputed additions made to the income to JSLL for different assessment years. The total duty amount involved in these appeals is Rs. 15.30 million. All the appeals are at various stages of adjudication.

High Court Cases

1. JSLL filed a suit in the High Court of Delhi for declaration that they are not liable to pay an amount of US$ 448500 to KBC bank against the letter of credit issued by them. The case is currently pending.

2. JSLL filed an appeal in the High Court of Punjab and Haryana against an order of the Haryana Electricity Regulatory Commission. The appeal is currently pending.

3. Three writ petitions were filed in different High Courts relating to tax matters. The amounts involved in these petitions are Rs. 3.51 million. The petitions are pending.

4. JSLL filed a writ petition against the Orissa Electricity Regulatory Commission with respect to electricity billing dispute and electricity tariff related issues. The total amount involved is Rs. 239.8 million. The case is currently pending.

Civil Cases

1. JSLL has filed eight suits against various parties in different courts for recovery of amount. The total amount involved in these cases is Rs. 10.80 million. All the suits are at various stages of adjudication.

2. JSLL has field an appeal before the commissioner for NOC for installation of Storage Tanks for propane gas since the application moved for grant of NOC before the district magistrate was rejected.

Sales Tax Cases

An appeal has been filed in the Supreme Court challenging the Constitutional validity of Local Area Development Tax Act. The appeal is pending disposal.

Six appeals have been filed in the various sales tax authorities involving Rs. 36.32 million. The cases are at various stages of adjudication.

***Contingent Liabilities as of March 31, 2007*:**

	Description	Rs. in million
1.	Counter guarantee given to this company's bankers for the guarantee given by them on behalf of this company	280.10
2.	Letter of Credit outstanding	4461.57
3.	Bill discounted by banks	1836.08
4.	Sales tax Demands against which this company has preferred appeals	9.41
5.	Excise Duty/Service Tax Show Cause Notices/Demands against which this company has preferred appeals.	238.80
6.	Corporate Guarantee given to Government/Banks on behalf of subsidiaries. (Against credit facilities/financial assistance)	1082.75
7.	Guarantee given to custom authorities for import under EPCG Scheme	654.92
8.	Demand made by Sr. Deputy Director of Mines, Notified Authority, Jajpur Road Circle, Orissa as cess on Chromite Ore production. The matter being pending with the Supreme Court of India	32.05
9.	Demand raised by NESCO in respect of power purchases. This company has filed Writ petition with High Court of Orissa	133.23

E. Jindal Southwest Holdings Limited

Litigation involving JSWHL

Civil Cases

JSWHL has filed six suits of recovery in the High Court of Bombay for recovery of money against six private investment companies as these six companies failed to pay the principal amounts nor interest to this company for the money invested by it in the optionally convertible bonds floated by the six companies. The amount involved is Rs. 25 million. All the suits are pending before court.

***Contingent Liabilities as of March 31, 2007*:** Nil

GOVERNMENT APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

I. Incorporation Details

1. JSW Energy Limited

- Certificate of Incorporation dated March 10, 1994 issued to Jindal Tractebel Power Company Limited by the Registrar of Companies, Maharashtra.
- Certificate for Commencement of Business dated March 28, 1995 issued to Jindal Tractebel Power Company Limited by the Registrar of Companies, Maharashtra.
- Fresh Certificate of Incorporation Consequent on Change of Name from Jindal Tractebel Power Company Limited to Jindal Thermal Power Company Limited dated January 17, 2002 issued by the Registrar of Companies, Maharashtra.
- Fresh Certificate of Incorporation Consequent on Change of Name from Jindal Thermal Power Company Limited to JSW Energy Limited dated December 7, 2005 issued by the Registrar of Companies, Maharashtra.

2. JSW Energy (Vijayanagar) Limited

- Certificate of Incorporation dated May 5, 2006 issued to JSW Energy (Vijayanagar) Limited by the Registrar of Companies, Maharashtra.
- Certificate for Commencement of Business dated June 14, 2006 issued to JSW Energy (Vijayanagar) Limited by the Registrar of Companies, Maharashtra.

3. JSW Energy (Ratnagiri) Limited

- Certificate of Incorporation dated June 13, 2006 issued to JSW Energy (Ratnagiri) Limited by the Registrar of Companies, Maharashtra.
- Certificate for Commencement of Business dated July 25, 2006 issued to JSW Energy (Ratnagiri) Limited by the Registrar of Companies, Maharashtra.

4. Raj WestPower Limited

- Certificate of Incorporation dated January 5, 1996 issued to Raj WestPower Private Limited by the Registrar of Companies, Rajasthan.
- Fresh Certificate of Incorporation Consequent on Change of Name from Raj WestPower Private Limited to Raj WestPower Limited dated October 19, 2006 issued by the Registrar of Companies, Rajasthan.
- Certificate for Commencement of Business dated January 5, 1996 issued to Raj WestPower Limited by the Registrar of Companies, Rajasthan.

5. **JSW Power Trading Company Limited**

- Certificate of Incorporation dated July 8, 2005 issued to JSW Power Trading Company Limited by the Registrar of Companies, Maharashtra.

- Certificate for Commencement of Business dated September 1, 2005 issued to JSW Power Trading Company Limited by the Registrar of Companies, Maharashtra.

6. **JSW PowerTransco Limited**

- Certificate of Incorporation dated July 3, 2007 issued to JSW PowerTransco Limited by the Registrar of Companies, Maharashtra.

- Certificate for Commencement of Business dated July 20, 2007 issued to JSW PowerTransco Limited by the Registrar of Companies, Maharashtra.

7. **PT Param Utama Jaya**

Establishment Deed No. 42 dated Lannywaty, in Jakarta September 7, 2006 by Notary Ingrid.

II. Approvals in relation to the Issue

1. In-principle approval from the National Stock Exchange of India Limited dated [●].

2. In-principle approval from the Bombay Stock Exchange Limited dated [●].

III. Approvals in relation to our Projects

We are required to obtain certain approvals from the concerned Central / State government departments and other authorities for setting up our projects and operating the same. These include:

- Approvals from various departments of the Government of India depending on the nature of the project. For example, approval from the Ministry of Coal related to development of captive coal block, environmental approvals from the Ministry of Environment and Forests, and chimney height approvals from the Ministry of Defence and Ministry of Civil Aviation;

- Approvals such as consents to establish and operate a project, environmental clearances and authorisations to draw water, from concerned departments of state governments;

- Approvals from Ministry of Power to obtain benefits associated with mega power project status, depending upon the nature and size of the project;

- Techno Economic Clearance from CEA for the hydroelectric projects; and

- Any other approvals that may be required by local authorities on a case to case basis.

We apply for approvals, licenses and registrations at the appropriate stage of development of each project. We have listed below key approvals that have been obtained or applied for by us along with certain significant approvals that we have identified at this time and that will need to be applied for on a project-by-project basis. The failure to obtain these approvals can result in delays or prevent a project from being commissioned. See "Risk Factors" on page [●] of this Draft Red Herring Prospectus.

1. JSWEL- 260MW Power Project (JSWEL)

- Approval dated, May 9, 1996 issued by Chief Engineer, Thermal Appraisal Division, CEA, for clearance from Central Water Commission for availability of water.

- Approval dated March 22, 1996 issued by Central Electricity Authority, Ministry of Power granting Techno Economic Clearance for the Project.

- Approval dated March 6, 1996 issued by the Karnataka State Pollution Control Board for setting up a new industry for generation of power 2 X 130 MW.

- Approval dated August 2, 1996 issued by the Ministry of Environment and Forests, Government of India, New Delhi for the project transferring the environmental clearance granted to Jindal Vijayanagar Steel Limited to JSWEL.

- Approval dated April 10, 1995 issued by the National Airports Authority granting NOC for construction of Chimney, which is valid for two years.

2. Vijayanagar Project (JSWEVL)

- Approval dated July 27, 2006 issued by the Airports Authority of India to JSWEL granting NOC to the construction of the proposed Chimney which is valid for four years.

- Application dated October 14, 2006 to the Airports Authority of India to amend the NOC granted in the name of JSWEVL.

- Approval dated August 20, 2004 issued by the MoEF granting environmental clearance, to JSWEL, for the setting up 2 x 250 MW Thermal Power Plant, valid for 5 years.

- Approval dated April 23, 2007 issued by the MoEF granting no objection to the environmental clearance to the augmentation of power generation capacity from 2 x 250 MW to 2 x 300 MW and incorporation of company's name as JSWEVL in place of JSWEL, which is valid for 5 years.

- Approval dated July 11, 2001 issued by the KSPCB granting consent to establish and clearance from water and air pollution control point of view, to JSWEL, for the setting up 2 x 250 MW Thermal Power Plant, valid for 5 years.

- Application dated October 13, 2006 to the KSPCB to extend the approval given dated July 11, 2001 from 2 x 250 MW to 2 x 300 MW and incorporation of JSWEVL in place of JSWEL as company name.

3. Ratnagiri Project (JSWERL)

- Approval dated March 28, 2007 issued by the Airports Authority of India granting NOC to the construction of the proposed Chimney, which is valid for four years.

- Approval dated October 6, 2006 issued by the MPCB granting Consent to Establish the project.

- Approval dated May 17, 2007 issued by the MoEF granting environmental clearance for the project, which is valid for five years.

- Approval dated November 15, 2007 issued by the MoEF granting Coastal Regulation Zone clearance for sea water and outfall from the project.

- Approval dated March 28, 2007 issued by the Maharashtra State Electricity Transmission Company Limited for grid connectivity.

- Application dated August 21, 2006 made to the Ministry of Power for grant of the Mega Power status to the Ratnagiri project.

4. **Raj West Power (RWPL)**

- Approval dated July 20, 2007 issued by the Ministry of Environment & Forests granting environmental clearance under the provisions of EIA Notification, 1994 which is valid for five years.
- Approval dated December 29, 2006 issued by the Airports Authority of India granting NOC to the construction of the proposed Chimney which is valid for four years.
- Approval dated June 1, 2007 issued by the Ministry of Defence granting NOC to the construction of the proposed Chimney.
- Approval dated April 4, 2007 from the Labour department.
- Approval dated November 13, 2006 from the Ministry of Coal, GoI, for allotment of Jalipa, Kapurdi, Shivkar and Saccha Sauda lignite blocks to Rajasthan State Mines and Minerals Limited, which is valid for 36 months.

5. **1600 MW- Thermal Plant in Orissa**

- Application dated April 9, 2007 made to the Water Resources Department, Jharkhand for permission to withdraw 32 MGD water from North Koel River by constructing an intake well near village Garhwa Road.
- Application dated April 9, 2007 made to the Deputy Commissioner, Jharkhand for to acquire a land identified by the Company in Palamu district.
- Application dated August 13, 2007 made to the Industrial Promotion and Investment Corporation of Orissa Limited for proposal to set up 2000 MW thermal Power Plant in Sambalpur Tahasil of Sambalpur District.

IV. Miscellaneous

1. Licence dated April 25, 2006 issued by the Central Electricity Regulatory Commission granted to JSWPTC to trade in Electricity as an Electricity Trader in the whole of India which is valid for a period of 25 years.

2. Approval granted to PTPUJ dated February 26, 2007 issued by the Capital Investment Coordinating Board, Jakarta, for change in the PTPUJ's status from Non-Domestic Capital Investment/ Foreign Capital Investment to Foreign Capital Investment.

3. ***Tax Related Registrations***

S. No.	Name of the Company	PAN	TAN
1.	JSWEL	AAACJ8109N	Toranagallu - BLRJ00662E Mumbai - MUMJ13142D
2.	JSWPTC	AABCJ5740L	DELJ06417F
3.	JSWEVL	AABCJ6756A	BLRJ02517E
4.	JSWERL	AABCJ7205J	MUMJ12170E
5.	RWPL	AAACR8812L	JPRRO1146F
6.	JSWPTL	AABCJ8683N	-
7.	PTPUJ, Indonesia	-	-

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of our Board dated December 19, 2007.

The shareholders have authorised the Issue by a special resolution passed pursuant to Section 81(1A) of the Companies Act at the EGM of our Company held on December 21, 2007.

We shall apply to the FIPB to permit eligible NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and Multilateral and Bilateral Development Financial Institutions to invest in this Issue.

Prohibition by SEBI

Our Company, our Directors, our Promoters, Promoter Group (other than as disclosed in this Draft Red Herring Prospectus), the directors or the person(s) in control of the Promoter and companies in which our Directors are directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Prohibition by RBI

Our Company, our Directors, our Promoters, the Promoter Group, the directors or the person(s) in control of the Promoter and companies in which our Directors are directors have not been declared as wilful defaulters by RBI or any other governmental authorities.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Clause 2.2.2 of the SEBI Guidelines, which states as follows:

"*2.2.2 An unlisted company not complying with any of the conditions specified in Clause 2.2.1 may make an initial public offering (IPO) of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if it meets both the conditions (a) and (b) given below:*

(a) (i) *The issue is made through the book-building process, with at least 50% of the issue size being allotted to the Qualified Institutional Buyers (QIBs), failing which the full subscription monies shall be refunded.*

OR

(a)(ii) *The "project" has at least 15% participation by Financial Institutions/ Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded*

AND

(b) (i) *The minimum post-issue face value capital of the company shall be Rs. 10 crores.*

OR

(b) (ii) *There shall be a compulsory market-making for at least 2 years from the date of listing of the shares , subject to the following:*

(a) *Market makers undertake to offer buy and sell quotes for a minimum depth of 300 shares;*

(b) *Market makers undertake to ensure that the bid-ask spread (difference between quotations for sale and purchase) for their quotes shall not at any time exceed 10%;*

(c) *The inventory of the market makers on each of such stock exchanges, as of the date of*

allotment of securities, shall be at least 5% of the proposed issue of the company.)"

We are an unlisted company not complying with the conditions specified in Clause 2.2.1 of the SEBI Guidelines and are therefore required to meet both the conditions detailed in clause 2.2.2(a) and clause 2.2.2(b) of the SEBI Guidelines.

- We are complying with Clause 2.2.2(a)(i) of the SEBI Guidelines and at least 60% of the Net Issue are proposed to be allotted to QIBs (in order to comply with the requirements of Rule 19(2)(b) of the SCRR) and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders.

- We are also complying with Clause 2.2.2(b)(i) of the SEBI Guidelines and the post-issue face value capital of the Company shall be Rs. 4,006.79 million which is more than the minimum requirement of Rs. 10 crore (Rs. 100 million).

Hence, we are eligible for the Issue under Clause 2.2.2 of the SEBI Guidelines.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will be not less than 1,000.

Further, the Issue is subject to the fulfilment of the following conditions as required by Rule 19(2)(b) SCRR:

- A minimum 2,000,000 Equity Shares (excluding reservations, firm Allotments and promoters contribution) are offered to the public;

- The Issue size, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 1,000 million; and

- The Issue is made through the Book Building method with allocation of 60% of the Net Issue size to QIBs as specified by SEBI.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 21, 2008 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

"WE, THE UNDER NOTED LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

   (a) THE DRAFT PROSPECTUS FORWARDED TO THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

   (b) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY THE BOARD, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

   (c) THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A <u>WELL INFORMED DECISION</u> AS TO THE INVESTMENT IN THE PROPOSED ISSUE (AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AND OTHER APPLICABLE LEGAL REQUIREMENTS).

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT CLAUSE 4.6 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**

7. **WE UNDERTAKE THAT CLAUSES 4.9.1, 4.9.2, 4.9.3 AND 4.9.4 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT ALL PROMOTER'S CONTRIBUTION AND SUBSCRIPTION FROM ALL FIRM ALLOTTEES WOULD BE RECEIVED ATLEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT**

PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE- NOT APPLICABLE

8. **WHERE THE REQUIREMENT OF PROMOTERS' CONTRIBUTION IS NOT APPLICABLE TO THE ISSUER, WE CERTIFY THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION UNDER CLAUSE 4.10 (SUB-CLAUSE (A), (B), OR (C), AS MAY BE APPLICABLE) ARE NOT APPLICABLE TO THE ISSUER – NOT APPLICABLE.**

9. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

10. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.**

11. **WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE.**

12. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE- NOT APPLICABLE AS THE OFFER SIZE IS MORE THAN 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.**

13. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:**

    (a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY AND

    (b) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME."

The filing of the Draft Red Herring Prospectus does not, however, absolve the Company from any liabilities under section 63 or section 68 of the companies act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Draft Red Herring Prospectus with the Registrar of Companies, Maharashtra, Mumbai in terms of 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Maharashtra, Mumbai in terms of section 56, section 60 and section 60B of the Companies Act.

Caution - Disclaimer from the Company and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our web site www.jsw.in, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the MoU entered into between the BRLMs and us and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by us and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither us nor the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company and will not Issue, sell, pledge, or transfer the Equity Shares of the Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs, eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of 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") and may not be offered or sold within the United States or to, or for the account or benefit of, "US 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 and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States to "qualified institutional buyers", as defined in Rule 144A under the

Securities Act in transactions exempt from the registration requirements of the Securities Act, and (ii) outside the United States to non-US persons in offshore transactions in reliance on Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Each purchaser acquiring the Equity Shares outside the United States pursuant to Regulation S will be deemed to have represented and agreed that it has received a copy of this Draft Red Herring Prospectus and such other information, as it deems necessary to make an informed investment decision and that:

1. the purchaser acknowledges that the Equity Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;

2. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares, was located outside the United States at the time the buy order for the Equity Shares was originated and continues to be located outside the United States and has not purchased the Equity Shares for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of the Equity Shares or any economic interest therein to any person in the United States;

3. the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate; and it is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Equity Shares from the Company or an affiliate thereof in the initial distribution of the Equity Shares;

4. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a qualified institutional buyer (as defined in Rule 144A) in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S under the Securities Act, or (iii) in accordance with Rule 144 under the Securities Act (if available), or any transaction exempt from the registration requirements of the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

5. the purchaser is purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act; and

6. the purchaser acknowledges that the Company, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each purchaser acquiring the Equity Shares within the United States pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act will be deemed to have represented and agreed that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

3. the purchaser (i) is a qualified institutional buyer (as defined in Rule 144A under the Securities Act), (ii) is aware that the sale to it is being made in a transaction not subject to the registration requirements of the Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a qualified institutional buyer with respect to which it exercises sole investment discretion;

4. the purchaser is aware that the Equity Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the Securities Act;

5. if in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a qualified institutional buyer (as defined in Rule 144A) in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S under the Securities Act, or (iii) in accordance with Rule 144 under the Securities Act (if available), or any transaction exempt from the registration requirements of the Securities act, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

6. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Equity Shares;

7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

8. the Company shall not recognise any offer, sale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions; and

9. the purchaser acknowledges that the Company, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each person in a Member State of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State) who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in this Draft Red Herring Prospectus will be deemed to have represented, warranted and agreed to and with each Underwriter and the Company that:

1. it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

2. in the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Equity Shares acquired by it in the placement have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Underwriters has been given to the offer or resale; or (ii) where Equity Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Equity Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to 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 the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus had 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 the RoC filing.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the Office of the Registrar of Companies, Maharashtra (Mumbai) at Everest, 100 Marine Drive, Mumbai 400 002.

Listing

Applications have been made to the BSE and 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 will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it, i.e. from the date of refusal or within 70 days from the Bid/Issue Closing Date, whichever is earlier, then the Company and every Director of the Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days of finalisation of the Basis of Allotment for the Issue.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Company and Bankers to the Issue; and (b) Book Running Lead Managers to the Issue, and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue, the Monitoring Agent, Legal Counsel to Issuer and Legal Counsels to the Underwriters, to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 1956 and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000, Lodha & Co., Chartered Accountants, have given their written consent to the inclusion of their financial report as well as report in relation to tax benefits accruing to our Company and its members in the form and context in which it appears in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

[●], the IPO grading agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, have given their written consent as experts to the inclusion of their report in the form and context in which they will appear in the Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the Registrar of Companies.

Expert to the Issue

Other than as stated above, we have not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. [●] million. The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue would be paid by our Company.

The estimated Issue expenses are as under:

(in Rs. million)

Activity	Expenses *	Percentage of the Issue Expenses	Percentage of the Issue Size
Lead management, underwriting and selling commission	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Printing and stationery	[●]	[●]	[●]
Others (Monitoring agency fees, Registrar's fee, legal fee, listing fee, etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**To be completed after finalisation of issue price*

Fees Payable to the BRLMs and the Syndicate Members

The total fees payable to the Book Running Lead Managers and the Syndicate Members will be as per the engagement letter dated January 14, 2008 with the BRLMs, issued by our Company, a copy of which is available for inspection at our registered office.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as the per the MoU between our Company and the Registrar to the Issue dated January 14, 2008.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is the initial public offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Previous Rights and Public Issues

We have not made any previous rights and public issues in India or abroad in the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of shares otherwise than for cash

Except as stated in the section titled "Capital Structure" on page [●] of this Draft Red Herring Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

Companies under the same management

No company under the same management (within the meaning of section 370(1)(B) of the Companies Act) as us has made any capital issue during the last three years.

Promise v. performance – Promoter Group

For details in relation to promise v. performance of the promoter group, please see "Our Promoters and Promoter Group" on page [●] of this Draft Red Herring Prospectus.

Outstanding Debentures, Bond Issues, or Preference Shares

We have issued certain Secured Redeemable Non Convertible Debentures of ten million Rupees each aggregating to Rs. 1700 million and certain Secured Redeemable Non Convertible Debentures of one million Rupees each aggregating to Rs. 1000 million. For details on the same see "Financial Indebtedness" on page [●] of this Draft Red Herring Prospectus.

We have no preference shares or bonds outstanding.

Stock Market Data for our Equity Shares

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least six months from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

Disposal of Investor Grievances

Our Company or the Registrar to the Issue shall redress routine investor grievances within seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have also appointed Mr. S Madhavan, Company Secretary of our Company as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post-Issue related problems, at the following address:

The Enclave,
Behind Marathe Udyog Bhavan,
New Prabhadevi Road,
Prabhadevi,
Mumbai 400025
Tel: (91 22) 2423 8000
Fax: (91 22) 2432 0740
Email: ipo.jswenergy@jsw.in

Change in Auditors

There have been no changes in the Auditors in the last 5 years.

Capitalisation of Reserves or Profits

Our Company has not capitalised our reserves or profits during the last five years, except as stated in the section titled "Capital Structure" on page [●] of this Draft Red Herring Prospectus.

Revaluation of Assets

We have not revalued our assets in the last five years.

Purchase of Property

Other than as disclosed in this Draft Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or

- The amount of the purchase money is not material.

Except as stated elsewhere in this Draft Red Herring Prospectus, the Company has not purchased any property in which any of its Promoter and/or Directors, have any direct or indirect interest in any payment made thereunder.

Servicing Behaviour

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, conditions of the FIPB approval, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Issue has been authorised by a resolution of our Board dated December 19, 2007 and by special resolution adopted pursuant to Section 81(1A) of the Companies Act*,* at an extraordinary general meeting of the shareholders of our Company held on December 21, 2007.

We shall apply to the FIPB to permit eligible NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and Multilateral and Bilateral Development Financial Institutions to invest in this Issue.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see "Main Provisions of the Articles of Association" on page [●] of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

We shall pay dividends to our shareholders in accordance with the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price at the lower end of the Price Band is Rs. [•] per Equity Share and at the higher end of the Price Band is Rs. [•] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Guidelines

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;

- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and our Company's Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled "Main Provisions of the Articles of Association" on page [●] of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Guidelines, the trading of our Equity Shares shall only be in dematerialised form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one (1) Equity Share subject to a minimum Allotment of [•] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office/ Corporate Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Net Issue, including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States 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 and applicable state securities laws. 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.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles. See "Main Provisions of our Articles of Association" on page [●] of this Draft Red Herring Prospectus.

ISSUE STRUCTURE

Issue of 63,225,000 Equity Shares for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) aggregating to Rs. [●] million. The Issue comprises a Net Issue of 61,225,000 Equity Shares to the public and a reservation of 2,000,000 Equity Shares for Eligible Employees. The Issue and the Net Issue will constitute 10.94% and 10.59% respectively of the post Issue paid up capital of the Company

The Company is considering a Pre-IPO Placement of Equity Shares with various investors ("Pre-IPO Placement"). The Pre-IPO placement is at the discretion of the Company. The Company will complete the issuance and allotment of such Equity Shares prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue size of 10% of the post Issue paid up capital being offered to the public.

The Issue is being made through the 100% Book Building Process.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
Number of Equity Shares*	[●] Equity Shares	[●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	[●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.	Up to 2,000,000 Equity Shares.
Percentage of Issue Size available for Allotment/allocation	Not less than 60% of Net Issue being allocated. However, not less than 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	10% of Issue or Net Issue available for allocation less allocation to QIB and Retail Individual Bidders	30% of Net Issue or Net Issue available for allocation less allocation to QIB Bidders and Non-Institutional Bidders.	Up to [●]% of the Issue
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount	Such number of Equity Shares that the Bid	[●] Equity Shares	[●] Equity Shares

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter.	Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter.		
Maximum Bid	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Net Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed 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.	Compulsorily in dematerialised form.
Bid Lot	[•] Equity Shares and in multiples of [•] Equity Shares thereafter.	[•] Equity Shares and in multiples of [•] Equity Shares thereafter.	[•] Equity Shares and in multiples of [•] Equity Shares thereafter.	[•] Equity Shares and in multiples of [•] Equity Shares thereafter.
Allotment Lot	[•] Equity Shares and in multiples of 1 Equity Share thereafter	[•] 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	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, FIIs, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts.	Resident Indian individuals, Eligible NRIs and HUF (in the name of Karta)	Eligible Employee

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	applicable law.			
Terms of Payment	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Amount applicable to Non-institutional Bidder at the time of submission of Bid cum Application Form.	Amount applicable at the time of submission of Bid cum Application Form depending upon the Payment Method.	Amount applicable to Non-institutional Bidder at the time of submission of Bid cum Application Form.
Margin Amount	Up to 10% of Bid Amount	In case of Bidders opting for Payment Method I – Rs. [●] per Equity Share and in case of Bidders opting for Payment Method II - Full Bid Amount on Bidding	In case of Bidders opting for Payment Method I – Rs. [●] per Equity Share and in case of Bidders opting for Payment Method II - Full Bid Amount on Bidding	In case of Bidders opting for Payment Method I – Rs. [●] per Equity Share and in case of Bidders opting for Payment Method II - Full Bid Amount on Bidding

Amount Payable per Equity Share	Payment Method-I			Payment Method-II		
	Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees			Any Category		
	Face Value	Premium	Total	Face Value	Premium	Total
	(per share)					
On Application	[●]	[●]	[●]	[●]	[●]#	[●]#
By Due Date for Balance Amount Payable	[●]	[●]#	[●]#	-	-	-
Total	[●]	[●]#	[●]#	[●]	[●]#	[●]#

Retail Discount of Rs. [●], if applicable, to be adjusted.

(n) Subject to valid Bids being received at or above the Issue Price. In accordance with Rule 19 (2) (b) of the SCRR, this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein not less than 60% of the Net Issue will be allocated on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If up to 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue Portion at the discretion of the BRLMs and the Company. In case of under subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post Issue capital of the Company. If at least 60% of the Net Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

** In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares without assigning any reason.

Bidding/Issue Programme

BID/ISSUE OPENS ON	**[●], 2008**
BID/ISSUE CLOSES ON	**[●], 2008**

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 1 p.m. (Indian Standard Time)** and uploaded till (i) 5.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 100,000 and (ii) till such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last date. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs and Syndicate members will not be responsible. Bids will be accepted only on Business Days.

The Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Guidelines provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue Opening Date.

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

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein not less than 60% of the Issue will be allocated on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be procured and submitted only through the BRLMs or their affiliate syndicate members. In case of QIB Bidders, the Company in consultation with the BRLMs may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for such rejection shall be provided to such Bidder in writing. In case of Employee Reservation Portion, Non-Institutional Bidders and Retail Individual Bidders our Company would have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Draft Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Draft Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Eligible Employees	Pink

Who can Bid?

- Indian nationals resident in India who are not minors in single or joint names (not more than three);

- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids by HUFs would be considered at par with those from individuals;

- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
- Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Guidelines and regulations, as applicable);
- FIIs registered with SEBI;
- Venture Capital Funds registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Foreign Venture Capital Investors registered with SEBI;
- Multilateral and bilateral development financial institutions; and
- Eligible Employees.

As per the existing regulations, OCBs cannot participate in this Issue.

Participation by Associates of BRLMs and Syndicate Members

The BRLMs and Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such investors, where the allocation is on a proportionate basis.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

1. Bid cum Application Forms have been made available for Eligible NRIs at our Registered Office and with members of the Syndicate.

2. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Non-Residents Indians require the approval of the RBI for subscribing to partly paid up Equity Shares and copy of such approval should be submitted along with the Bid-cum-Application Form in case an application is made under Payment Method-1.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-issue issued capital (i.e. 10% of [●] Equity Shares of Rs. 10 each). In respect of an FII investing in our equity shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FII holding in us cannot exceed 24% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in india only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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 of [•] Equity Share thereafter, so as to ensure that the Bid Price payable by the Bidder does not exceed Rs. 100,000, net of Retail Discount. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed Rs. 100,000. In case the Bid Price is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **Under existing SEBI Guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.**

(c) **For Employee Reservation Portion:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum Bid in this category cannot exceed [●] Equity Shares.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Information for the Bidders:

(a) Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.

(b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our registered office or from any of the members of the Syndicate.

(d) Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Members or their authorised agent(s) to register their Bids.

(e) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate will be rejected.

Bidders should refer to the section "Key Features of the Payment Method" on page [●].

Method and Process of Bidding

(a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band in the Red Herring Prospectus with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation. This advertisement, subject to the provisions of S. 66 of the Companies Act shall be in the format prescribed in Schedule XX–A of the SEBI guidelines, as amended by SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 date January 25, 2005. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.

(b) The Bid/Issue Period shall be for a minimum of three working days and shall not exceed seven working days. The Bid/ Issue Period maybe extended, if required, by an additional three working days, subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Marathi newspaper with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

(c) During the Bid/Issue Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid.

(d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(e) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "Build up of the Book and Revision of Bids".

(f) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) During the Bid/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

(h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Terms of Payment and Payment into the Escrow Accounts" on page [●].

Bids at Different Price Levels and Revision of Bids

(a) The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share, Rs. [●] being the Floor Price Band and Rs. [●] being the Cap Price. The Bidders can bid at any price with in the Price Band, in multiples of Re.1 (One).

(b) Our Company, in consultation with the BRLMs reserves the right to revise the Price Band, during the Bid/Issue Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

(c) Our Company, in consultation with the BRLMs can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

(d) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Bidders in the Employee Reservation Portion may bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(e) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Payment Method based on the cap of the Price Band with the members of the Syndicate. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the respective Refund Account.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) Only those Bidders who opted for the Payment Method -2 shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders, who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account. In any event the Company, in consultation with the BRLMs shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.

Escrow Mechanism

Our Company and the Members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount (as applicable to the Payment Method opted by the Bidder) from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account are per the terms of the

Escrow Agreement and the Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the Members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder shall with the submission of the Bid-cum-Application Form draw a cheque or demand draft for the applicable Margin Amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details refer to the section titled "Issue Procedure-Payment Instructions" on page [●] of this Draft Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. The Bidder may also provide the applicable Margin Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide its QIB Margin Amount only to a BRLMs or Syndicate Members duly authorised by the BRLMs in this regard. Bid-cum-Application Forms accompanied by cash/Stockinvest/money order shall not be accepted. The Margin Amount based on the Bid Amount has to be paid at the time of submission of the Bid-cum-Application Form. An illustrative table of the Payment Method is provided herein.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold such monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. On the Designated Date and no later than 15 (fifteen) days from the Bid/Issue Closing Date, the Escrow Collection Bank(s) shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment to the Bidders.

Each category of Bidders i.e., QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid-cum-Application Form in accordance with the Payment Method chosen. The Margin Amount payable by each category of Bidders is mentioned under the section titled "Issue Structure" on page [●] of this Draft Red Herring Prospectus. Subject to the Payment Method Chosen, where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated/allotted at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of 2 (two) days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. QIBs will be required to deposit a margin of 10% at the time of submitting of their Bids.

If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid-cum-Application Form.

Where the Bidder has been allocated/allotted lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation/Allotment, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which the Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States 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 and applicable state securities laws. 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.

Different Payment Methods

For Illustration of the Payment Methods available to the investors for applying in this Issue see "The Issue" on page [●] of this Red Herring Prospectus.

Electronic Registration of Bids

(a) The members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

(b) The BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding Period. Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid Closing Date, the Members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLMs on a regular basis.

(c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres and the website of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the investor.
- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
- Numbers of Equity Shares bid for.
- Bid price.
- Bid cum Application Form number.
- Whether Margin Amount has been paid upon submission of Bid cum Application Form.
- Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated/Allotment either by the members of the Syndicate or our Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) In case of QIB Bidders, Members of the Syndicate also have the right to accept the bid or reject it. However, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on page [●].

(h) The permission given by BSE and NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

(i) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

Build Up of the Book and Revision of Bids

(a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the BSE or NSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.

(c) During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid-cum-Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

(h) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the Company in consultation with the BRLMs based on the physical records of Bid Application Forms shall be final and binding on all concerned.

(i) While revising the Bid, the Bidder shall not change the Payment Method indicated originally.

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the BRLMs will analyse the demand generated at various price levels and discuss the pricing strategy with the Company.

(b) The Company in consultation with the BRLMs shall finalise the Issue Price.

(c) The allocation to QIBs will be not less than 60% of the Issue and allocation to Non-Institutional and Retail Individual Bidders will be up to 10% and 30% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Guidelines and the Draft Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid bids being received at or above the Issue Price.

(d) Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue Portion at the discretion of the BRLMs and the Company. In case of under subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post Issue capital of the Company. If at least 60% of the Net Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

(e) Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(f) The BRLMs, in consultation with us, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date without assigning any reasons whatsoever. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

(h) The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(a) Our Company, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with ROC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the RoC

We will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall after receiving final observations, if any, on the Draft Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI Guidelines in two widely circulated newspapers (one each in English and Hindi) and a Marathi newspaper with wide circulation.

Advertisement regarding Issue Price and Prospectus

We will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/allotted Equity Shares in the Issue. The approval of the basis of Allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, investors should note that the Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.

(b) The BRLMs or members of the Syndicate will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated/allotted Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the Allotment to such Bidder.

(d) The Issuance of CAN is subject to "Notice to QIBs - Allotment Reconciliation and Revised CANs" as set forth under the section "Issue Procedure" on page [●] of this Draft Red Herring Prospectus.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid cum Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 (fifteen) days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company would ensure the credit to the successful Bidders depository account within two working days of the date of allotment.

(b) In accordance with the SEBI Guidelines, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

a) Check if you are eligible to apply;

b) Read all the instructions carefully and complete the Resident Bid cum Application Form ([●] in colour) or Non-Resident Bid cum Application Form ([●] in colour) as the case may be;

c) Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialised form only;

d) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

e) Ensure that you have been given a TRS for all your Bid options;

f) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

g) All Bidders should mention their Permanent Account Number (PAN) allotted under the IT Act.;

h) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

i) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

j) If you are a Non-Resident Bidder and have opted for Payment Method-1 (i.e., applying for partly paid Equity Shares), attach the RBI approval for subscribing to partly paid Equity Shares.

Don'ts:

(a) Do not bid for lower than the minimum Bid size;

(b) Do not bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;

(c) Do not bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid Price in cash, by money order or by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not bid at Cut Off Price (for QIB Bidders and Non-Institutional Bidders, for bid amount in excess of Rs. 100,000 and for Bidders in Employee Reservation Portion bidding in excess of Rs. 100,000);

(g) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(h) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable (● colour or ● colour).

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected.

(c) For Retail Individual Bidders, the Bid must be for a minimum of [•] Equity Shares and in multiples of [•] thereafter subject to a maximum Bid Amount of Rs. 100,000.

(d) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the Issue. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(e) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor the Registrar to the Issue nor the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN

CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund Orders/Allocation Advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Company, Escrow Collection Banks nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice or refunds through electronic transfer of funds, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids by Non Residents including NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis

We will apply to FIPB to permit eligible NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and Multilateral and Bilateral Development Financial Institutions to invest in this Issue.

Bids and revision to Bids must be made in the following manner:

1. On the Bid-cum-Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depositary Participant Details).

Bids by Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on

account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. Bidders under the Employee Reservation Portion can apply for a maximum of the size of the Issue. The allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid-at Cut off Price.

For the purpose of the Employee Reservation Portion, Eligible Employee means permanent employees of the Company incorporated in India who are Indian Nationals, are based in India and are physically present in India on the date of submission of the Bid- cum-Application Form.

Bids under Employee Reservation Portion by Eligible Employees shall be:

a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. Pink colour Form).

b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum Bid in this category by an Eligible Employee cannot exceed the size of the Issue.

c) Eligible Employees, as defined above, should mention their Employee Number at the relevant place in the Bid cum Application Form

d) The sole/ first bidder should be Eligible Employees as defined above.

e) Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.

f) Bids by Eligible Employees will have to bid like any other Bidder. Only those bids, which are received at or above the Issue Price, would be considered for allocation under this category.

g) Eligible Employees who apply or bid for securities of or for a value of not more than Rs. 100,000 in any of the bidding options can apply at Cut-Off. This facility is not available to other Eligible Employees whose minimum Bid Amount exceeds Rs. 100,000.

h) Bid/ Application by Eligible Employees can be made also in the “Net Issue to the Public” and such bids shall not be treated as multiple bids.

i) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

j) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue to the Public, and the ratio amongst the investor categories will be at the discretion of the Company and the BRLMs. In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post-Issue share capital of the Company.

k) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to para “Basis of Allotment” on page [●] of this Draft Red Herring Prospectus.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by mutual fund registered with SEBI, venture capital fund registered with SEBI and foreign venture capital investor registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLMs may deem fit.

Payment Instructions

Our Company shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation/Allotment in the Issue.

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

Payment into Escrow Account

1. The Bidders for whom the applicable Margin Amount is equal to 100%, shall, with the submission of the Bid-cum-Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.

2. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs or the Call Notice, as applicable to the category of Bidder based on the Payment Method selected by the Bidder.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of Resident QIB Bidders: "–[●]"

(b) In case of Non Resident QIB Bidders: "–[●]"

(c) In case of Resident Retail and Non-Institutional Bidders: "–[●]"

(d) In case of Non-Resident Retail and Non-Institutional Bidders: "–[●]"

(e) In case of Employees: "[●]"

4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made out of NRO account.

5. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

6. In case of Bids by FIIs/FVCIs/multilateral and bilateral financial institutions, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

7. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.

8. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

9. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.

10. 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.

Key Features of the Payment Methods

For Key Features of the different Payment Methods, see "The Issue" on page [●] of this Red Herring Prospectus.

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated

November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Submission of Bid Cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

3. The Registrar to the Issue will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.

4. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.

5. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

6. Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and the applications physically verified to tally signatures as also father's/ husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

The Company reserves the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

The Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her Permanent Account Number (PAN) allotted under the I.T. Act. In accordance with the SEBI Guidelines, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

Our Right to Reject Bids

In case of QIB Bidders, the Company in consultation with the BRLMs may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
- Age of First Bidder not given;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not given;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than lower end of the Price Band;
- Bids at a price more than the higher end of the Price Band;
- Bids at Cut Off Price by Non-Institutional and QIB Bidders.
- Bids for number of Equity Shares which are not in multiples of [•];
- Category not ticked;
- Multiple Bids as defined in this Draft Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant

documents are not submitted;

- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of sole and / or joint Bidders missing;
- Bid cum Application Forms does not have the stamp of the BRLMs or Syndicate Members;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depositary Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids in respect where the Bid cum Application form do not reach the Registrar to the Issue prior to the finalisation of the Basis of Allotment;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids by international QIBs not submitted through the BRLMs or their affiliates;
- Bids by QIBs not submitted through members of the Syndicate;
- Bids by US persons other than "Qualified Institutional Buyers" as defined in Rule 144A of the Securities Act or other than in reliance of Regulation S under the Securities Act;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws; and
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.
- Bids by Non-Residents for partly paid shares applying under Payment Method-1 without RBI approval for subscribing to such partly paid shares;

Equity Shares In Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

(a) Agreement dated September 26, 2007 with NSDL, the Company and the Registrar to the Issue;

(b) Agreement dated January 2, 2008 with CDSL, the Company and the Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid-cum-Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder

(d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares of the Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

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

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 days of the

Bid/Issue Closing Date;

- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 days of the Bid/Issue Closing Date would be ensured; and

- The Company shall pay interest at 15% per annum for any delay beyond the 15 day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of Allotment refer below.

C. For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.

- The QIB Portion shall be available for Allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:

    (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the 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 for Allotment to all QIB Bidders as set out in (b) below;

  (b) In the second instance Allotment to all QIBs shall be determined as follows:

    (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

    (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

    (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate Allotment to QIB Bidders shall not be less than [●] Equity Shares

D. For Employee Reservation Portion

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut off Price.

- Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue portion at the discretion of the BRLMs and the Company.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiple of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

- Only Eligible Employees eligible to apply under Employee Reservation Portion.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, the Company shall finalise the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

    - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

    - Each successful Bidder shall be allotted a minimum of [•] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of 1 (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No.	Particulars	Issue details
1	**Issue size**	200 million equity shares
2	Allocation to QIB (60%)	120 million equity shares
	Of which:	
	a. Allocation to MF (5%)	6 million equity shares
	b. Balance for all QIBs including MFs	114 million equity shares
3	No. of QIB applicants	10
4	No. of shares applied for	500 million equity shares

B. Details Of QIB Bids

S.No	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	**50**
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	**500**

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 6 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 114 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	11.40	0
A2	20	0	4.56	0
A3	130	0	29.64	0
A4	50	0	11.40	0
A5	50	0	11,40	0
MF1	40	1.2	9.12	10.32
MF2	40	1.2	9.12	10.32
MF3	80	2.4	18.24	20.64
MF4	20	0.6	4.56	5.16
MF5	20	0.6	4.56	5.16
	500	**6**	**114**	**51.64**

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section titled "Issue Structure" beginning on page [●].

2. Out of 120 million Equity Shares allocated to QIBs, 6 million (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 shares in QIB category.

3. The balance 114 million Equity Shares (i.e. 120 - 6 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 Equity Shares (including 5 MF applicants who applied for 200 Equity Shares).

4. The figures in the fourth column titled "Allocation of balance 114 million Equity Shares to QIBs proportionately" in the above illustration are arrived as under:

   - For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 114 / 494;

   - For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 114/494; and

   - The numerator and denominator for arriving at allocation of 114 million shares to the 10 QIBs are reduced by 6 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

PAYMENT OF REFUND

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither the Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following fifteen centres: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned fifteen centres, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

3. RTGS – Applicants having a bank account at any of the abovementioned fifteen centres and whose refund amount exceeds Rs. 5 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided,

refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Letters of Allotment or Refund Orders

The Company shall give credit to the beneficiary account with depository participants within two working days from the date of the finalisation of basis of allotment. Applicants residing at fifteen centres where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within fifteen days of closure of Bid / Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI DIP Guidelines, our Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialised form within 15 days from the Bid/Issue Closing Date; and

- We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if Allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Undertakings

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously;

- That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of Allotment;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer.

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

- That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time; and

- No further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Utilisation of Issue proceeds

Our Board of Directors certify that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

- Details of all monies utilised out of Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

- Details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- Details of all monies utilised out of the funds received from Employee Reservation Portion shall be disclosed under an appropriate head in the balance sheet of the Company, indicating the purpose for which such monies have been utilised; and

- Our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment limit is allowed up to 100% under automatic route in our Company.

In April 2005, two non resident companies acquired Equity Shares in the Company, which presently constitute 8.41% of our share capital from a resident shareholder. The Company believes that the transaction complied with applicable foreign investment laws at that time. We have now applied to FIPB for continuation of this non resident holding in our Company and for classifying the Issuer as an Operating cum Holding company due to the non resident holding of 8.41% and pursuant to the setting up of subsidiary companies by the Company. In the event the FIPB is of the view that such acquisition by the Non residents is in breach of applicable foreign investment laws, the non- resident shareholding may have to be transferred.

In light of the above, we will apply to FIPB to permit eligible NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and Multilateral and Bilateral Development Financial Institutions to invest in this Issue.

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. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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 VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning given to such terms in the Articles of Association of the Company.

Pursuant to Schedule II of the Companies Act and the DIP Guidelines, the main provisions of the Articles of Association of the Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares/debentures and/or on their consolidation/splitting are detailed below:

The regulations contained in Table 'A' of Schedule I to the Companies Act (Act 1 of 1956) shall not apply only in so far as the same are not provided for or are inconsistent with these Articles and the regulations for the management of the Company and for observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to repeal or alteration or of addition to, its regulations by special resolution, as prescribed by the Companies Act, 1956, be such as are contained in these Articles.

Amount of Capital

Article 3 provides that

The Authorised Share Capital of the Company is Rs. 1000 Crores (Rupees One Thousand Crores) divided into 100,00,00,000 (One Hundred Crores) Equity Shares of Rs. 10/- (Rupees Ten) each.

Increase of Capital by the Company and how carried into effect

Article 4 provides that

The Company in General Meeting may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

Redeemable Preference Shares

Article 6 provides that

Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares which are or at the option of the Company are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

Provision to apply on issue of Redeemable Preference Shares

Article 7 provides that

On the issue of Redeemable Preference Shares under the provisions of Article 6 hereof the following provisions shall take effect:

(a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;

(b) no such share shall be redeemed unless they are fully paid;

(c) the premium if any, payable on redemption must have been provided for out of the profits of the

Company or the Company's Share Premium Account before the shares are redeemed;

(d) where any such share are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the 'Capital Redemption Reserve Account', a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

Reduction of Capital

Article 8 provides that

The Company may (subject to the provisions of Section 78, 80, 100 to 105, inclusive of the Act), from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

Sub-division Consolidation and Cancellation of Shares

Article 9 provides that

Subject to the provisions of Section 94 of the Act the Company in general meeting may, from time to time sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Modification of rights

Article 10 provides that

Whenever the capital, by reason by the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class, may, subject to the provisions of Section 106 and 107 of the Act, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a special resolution passed at a separated general meeting of the holders of shares of that class.

Register and Index of Members

Article 11 provides that

The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act. The Company shall be entitled to keep in any State of country outside India a branch Register of Members resident in that State or country.

Further Issue of Capital

Article 13 provides that

(a) (i) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then, such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid upon these shares to that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than 15 days of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given, if he declines to accept the shares offered the Board may dispose of them in such manner as they think most beneficial to the Company.

(ii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to above shall contain a statement of this right;

(b) Notwithstanding anything contained in the preceding sub-clause, the Company may -

(i) by a special resolution; or

(ii) Where no such special resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting by members who, being entitled so to do, vote in person or where proxies are allowed, by proxy, exceed the vote if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

Offer further shares to any person or persons, and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.

(c) Nothing in sub-clause (i) of 13(a) hereof shall be deemed:

1. To extend the time within which offer should be accepted; or

2. To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(d) Notwithstanding anything contained in sub-clause (a) above but subject however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.

Provided that the terms of issue of such debentures or terms of such loans include a term providing for such options and such term:

1. Either has been approved by the central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

2. In the case of debentures or loans other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has been approved by the special resolution passed by the Company in General Meeting before the issue of debentures or raising of the loans.

Share under control of Directors

Article 14 provides that

Subject to the provisions of these Articles and of the Act, the Shares (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons in such proportion or such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 78 and 79 of the Act) at a premium or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit.

The directors may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be paid shares.

Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

The Board shall cause to be filed the return as to allotment as provided for in Section 75 of the Act.

Power also to Company in General Meeting to issue shares

Article 15 provides that

In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 13 and 14, the Company in general meeting may, subject to the provisions of Section 81 of the Act determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such person (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for a such consideration as may be directed by such General Meeting or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.

Acceptance of Shares

Article 16 provides that

Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be a acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purposes of these Articles, be a Member.

Deposit and call etc. to be a debt payable immediately

Article 17 provides that

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holders of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly

Liability of Members

Article 18 provides that

Every member, or his heirs, executors or administrators, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon in such amount, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

Liability of Members

Article 19 provides that

(a) Every member or allottee of shares shall be entitled without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares.

The company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be.

Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits it, at least one of the aforesaid two Directors shall be a person other than a Managing or a whole time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.

(b) Any two or more joint allottees or a share shall, for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.

(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Renewal of Share Certificate

Article 20 provides that

(a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfers have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company.

(aa) Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 2/- for each certificate) as the Directors shall prescribe.

Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirement of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

The provision of this Article shall mutatis mutandis apply to debentures of the Company.

(b) When a new share certificate has been issued in pursuance of clause (a) of this Article it shall state on the face of it and against such counterfoil to the effect that it is “issued in lieu of share certificate No. …………………………. Sub-divided/replaced/on consolidation of shares”.

(c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and or such terms, if any, as to evidence and indemnity as to the payment of out-of-pocket expenses incurred by the Company investigating evidence, as the Board thinks fit.

(d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it or counterfoil to the effect that it is 'duplicate issued in lieu of share certificate No. ……..' The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate.

(e) When a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate certificates indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changed indicated in the Register of Members by suitable cross reference in the 'Remarks' Column

(f) All blank forms to be issued for issue of share certificate shall be printed and printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consequently machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

(g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub Article (f).

(h) All books referred to in sub-Article (g) shall be preserved in good order permanently.

Company not bound to recognise any interest in share other than that of registered holder

Article 22 provides that

Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Article otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

Funds of Company may not be applied in purchase of shares of the Company

Article 23 provides that

None of the funds of the Company shall be applied in the purchase of any shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding company save as provided by Section 77 and Section 77A of the Act.

Interest may be paid out of capital

Article 26 provides that

Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provisions of plant.

Director may make calls

Article 27 provides that

The Board may, from time to time subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the members in respect of all money unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.

Notice of calls

Article 28 provides that

Fifteen days' notice in writing of any call shall be given by the Company specifying the time, place of payment, and the person or persons to whom such call shall be paid.

Calls to date from resolution

Article 29 provides that

A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.

Calls to carry interest

Article 33 provides that

If any member fails to pay any call due from him on the day appointed for the payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 18 percent per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

Payment in anticipation of calls may carry interest

Article 37 provides that

(a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or at any time repay the same upon giving to the member three month's notice in writing. Providing that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits.

(b) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

(c) The provision of these articles shall mutatis mutandis apply to the calls on debentures of the company.

Company to have lien on shares

Article 38 provides that

The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with other) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 22 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares.

Unless otherwise agreed for registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, in such shares.

If money payable on share not paid notice to be given to member

Article 41 provides that

If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued, and all expenses that may have been incurred by the Company by reason of such non-payment.

Register of Transfers

Article 52 provides that

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

Form of transfer

Article 53 provides that

Shares in the Company may be transferred by an instrument in writing as provided by the provisions of the Act, such instrument of transfer shall be in the form prescribed and shall be duly stamped and delivered to the Company within the prescribed period.

Directors may refuse to register transfers

Article 56 provides that

Subject to the provisions of Section 111 of the Act, Board may, in due and strict accordance and compliance with the provisions of Section 22A of the Securities Contract (Regulation) Act 1956, decline to register or acknowledge any transfer of shares, whether fully paid or not, (notwithstanding that the proposed transferee be already a member), but in such cases it shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer. The registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares.

Nomination of Shares / Debentures

Article 58A provides that

1. Every holder/joint holder of shares in or holder/joint holder of debentures of the Company, may at any time, nominate, in accordance with the provisions of and in the manner provided by Section 109A of the Companies Act, 1956 or any amendments thereof from time to time, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of the holder/joint holder.

2. Subject to the provisions of Section 109A of the Act, and Article 58A1 any person who becomes a nominee by virtue of the provisions of the Act, upon production of such evidence as may be

required by the Board or any committee Board or any committee thereof, elect either to be registered himself as a holder of the shares or debenture as the case may be, as the deceased shareholder or debenture holder would have made, in accordance with the provisions of and in manner prescribed by section 109B of the Companies Act 1956 and any amendments thereto from time to time.

Provided that the Board may, at any time, give notice requiring any such person to elect to be either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.

3. Any person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Fee on transfer or transmission

Article 63 provides that

No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Power to borrow

Article 66 provides that

Subject to the provisions of Sections 292 and 293 of the Act the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company, provided however, that where the moneys, to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

Payment or repayment of moneys borrowed

Article 67 provides that

Subject to the provisions of Article 66 hereof, the payment or re-payment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Special Resolution shall prescribe including by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being; and debentures, debenture-stock and other securities may be made assignable free from any equities between the Company ad the person to whom the same may be issued.

Power to issue share warrants

Article 71 provides that

The Company may issue share warrants subject to, and in accordance with the provisions of Section 114 and 115 and accordingly the Board may in its discretion with respect to any share which is fully paid, upon application in writing signed by the persons registered as holder of the share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

Privileges and disabilities of the holder of Share warrant

Article 73 provides that

(1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

(2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the share included in the warrant; and he shall be a member of the Company.

Issue of new share warrant coupon

Article 74 provides that

The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Shares may be converted into stock

Article 75 provides that

The Company in general meeting may convert any paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination.

Annual General Meeting

Article 77 provides that

The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year. All General Meetings other than Annual General Meeting shall be called Extra-ordinary General Meetings. The first Annual General Meeting shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(i) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the office of the Company is situate as the Board may determine and the Notice calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concern him as Auditor. At every Annual General Meeting of the Company, there shall be laid on the table the Director's Report and Audited Statement of Account, Auditor's Report (if not already incorporated in the Audited Statements of Account), the Proxy Register with proxies and the Register of Directors shareholdings which later Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

Extra-ordinary General Meeting

Article 78 provides that

The Board may, whenever it thinks fit, call an Extra ordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

Requisition of Members to state object of meeting

Article 79 provides that

Any valid requisition so made by members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionist and be deposited at the office provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

On receipt of requisition Directors to call Meeting and in default requisitionists may do so

Article 80 provides that

Upon the receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within twenty-one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169 (4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

Omission to give notice not to invalidate a resolution passed

Article 83 provides that

The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

Quorum at General Meeting

Article 85 provides that

Five members present in person shall be the quorum for a General Meeting.

Chairman of General Meeting

Article 88 provides that

The Chairman (if any) of the Directors shall be entitled to take the Chair at every General Meeting whether Annual or Extra-ordinary. If there be no such Chairman of the Directors, or, if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the Chair, then the Vice-Chairman (if any) of the Directors shall be entitled to take the Chair and if there be no such Vice-Chairman or if he be not so present, the members present shall elect another director as Chairman, and if no Director be present or if all the Directors present decline to take the Chair, then the members present shall elect one of their member to be the Chairman.

Question in General meeting how decided

Article 91 provides that

At any General Meeting, a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is (before or on declaration of the result of the show of hands) demanded by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid-up and unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

Poll to be taken, if demanded

Article 92 provides that

If a poll is demanded as aforesaid, the same shall be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Office of the Company is for the time being situated and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Number of votes to which member entitled

Article 97 provides that

Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member, not disqualified by the last preceding Articles shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. Provided, however, if any preference shareholder be present at any meeting of the Company save as provided in clause (b) of sub-section (2) of Section 87, of the Act, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

Voting in person or by proxy

Article 101 provides that

Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a member may vote either by a representative duly authorised in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member.

Minutes of General Meeting and inspection thereof by Members

Article 111 provides that

(1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting, entries thereof in books kept for that purpose with their pages consecutively numbered.

(2) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within that period or by a Director duly authorised by the Board for the purpose.

(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of each meeting shall contain a fair and correct summary of the proceeding thereat.

(5) All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meeting.

(6) Nothing herein contained shall require or be deemed to require the inclusion in any such minute of any matter which in the opinion of the Chairman of the meeting (a) is or could reasonably be regarded as, defamatory of any person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

(7) Any such minute shall be evidence of this proceedings recorded therein.

(8) The book containing the minutes of proceedings of General Meetings shall be kept at the office of the Company and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any Member without charge.

Number of Directors

Article 112 provides that

(1) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (excluding Debenture and Alternate Directors) shall not be less than four nor more than twelve.

(2) The first Directors of the Company shall be:

1. Shri Sajjan Jindal
2. Shri Henri Mayers
3. Shri Florent Gheeraert
4. Shri Prithvi Raj Jindal

Appointment of Alternate Director

Article 115 provides that

At the request of the concerned Director, the Board may appoint an Alternate Director to act for Director (hereinafter called "the Original Director") during his absence for a period of not less than three months in the State in which the meetings of the Board are ordinarily held. Alternate Director appointed under the Article shall not hold office for a period longer than that permissible to the Original Director in which place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of Office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic re-appointment of retiring Director in defaulting of another appointment shall apply to the Original Director and not to the Alternate Director.

Director's power to add to the Board

Article 116 provides that

Subject to the provisions of Section 260, 261 and 264 of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 112. Any such additional Director shall hold office only up to the date of the next Annual General Meeting.

Director's power to fill casual vacancies

Article 117 provides that

Subject to the provisions of Section 261, 264 and 284 (6) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

Remuneration of Directors

Article 119 provides that

(1) Subject to the provisions of the Act, a Managing Director and Directors, in the whole-time employment of the Company, may be paid remuneration either by way of a monthly payment, fee for each meeting or participation in profits or by any or all these modes and/or any other mode not expressly prohibited by the Act.

(2) Subject to the provisions of the Act a Director, who is neither in the whole-time employment nor a Managing Director may be paid remuneration either;

(i) by way of monthly, quarterly and annual payment with the approval of the Central Government; or

(ii) by way of commission if the Company by a special resolution authorised such payment.

(3) Unless otherwise determined by the Company in general meeting, the fee payable to a Director for attending a meeting of the Board or Committee thereof shall be such amount as may be fixed by the Board of Directors, from time to time, subject to such limits, if any, as may be prescribed under the Act.

When office of Directors to become vacant

Article 122 provides that

Subject to Section 283(2) and 314 of the Act the office of a Director shall become vacant if:

(a) he is found to be of unsound mind by a Court of Competent jurisdiction; or

(b) he applies to be adjudicated an insolvent;

(c) he is adjudged an insolvent;

(d) He fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such call unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or

(e) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months whichever is longer, without leave of absence from the Board; or

(f) he becomes disqualified by an order of the Court under Section 203 of the Act; or

(g) he is removed in pursuance of Section 284; or

(h) he (whether by himself or by any person for his benefit on his account) or any firm in which he is a partner or any private company of which he is director, accepts, a loan or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or

(i) he acts in contravention of Section 299 of the Act; or

(j) he is convicted by a Court of an offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months;

(k) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;

(l) he resigns his office by a notice in writing addressed to the Company.

Director may contract with Company

Article 123 provides that

(1) A Director or his relative, firm in which such Director or relative is a partner, or any other partner in such firm of a private company of which the Director is a member or director may enter into any contract with the Company for the sale, purchase or supply of any goods, materials, or services or for underwriting the subscription of any shares in or debentures of the Company, provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act.

(2) No sanction shall however, be necessary for

(a) any purchase of goods and materials from the Company, or the sale of goods and material to the Company, by any such Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or

(b) any contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company, as the case may be regularly trade or does business, where the value of the goods and materials or the cost of such services does not exceed Rs. 5,000 in the aggregate in any year comprises in the period of the contract or contracts.

Provided that in circumstances of urgent necessity, a Director, relative, firm, partner or private company as aforesaid may without obtaining the consent of the Board enter into any such contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value such goods or the cost of such services exceeds Rs. 5,000 in the aggregate in any year comprised in the period of the contract if the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which contract was entered into.

Disclosure of Interest

Article 124 provides that

A Director of the company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other Company where any of the Directors of the Company or two or more of them together holds not more than two per cent of the paid-up share capital in any such Company.

Interested Directors not to participate or vote in Board's proceedings

Article 126 provides that

No Director shall as a Director, take any part in the discussion of, or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way whether directly or indirectly, concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to

(a) any contract of indemnity against any loss which the Directors, or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company.

(b) any contract or arrangement entered into or to be entered into with a public company or private company which is a subsidiary of a public company in which the interest of the Director consists solely:

(i) in his being -

(x) a director of such company, and

(y) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such director by the Company.

(ii) in his being a member holding not more than 2% of its paid-up share capital.

Board may appoint Managing Director or Managing Directors etc.

Article 138 provides that

Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any one or more of its number as the Managing Director or Managing Directors or whole time Directors (including Technical Director) of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and subject to the provisions of Article 139, the Board may, by resolution, vest in such Managing Director or Managing Directors or whole-time Director or Directors (including Technical Director) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director or Managing Directors or Whole-time Director or Directors (including Technical Director) may be, by way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes, and/or any other mode not expressly prohibited by the Act.

Article 139 provides that

The Managing Director shall not exercise the powers to,

(a) make calls on shareholders in respect of money unpaid on the shares in the Company.

(b) issue debentures.

and except as per the resolution passed at the Board Meeting under Section 292 of the Act, shall also not exercise the powers to,

(c) borrow moneys, otherwise than on debentures;

(d) invest the funds of the Company and

(e) make loans.

Certain person not to be appointed Managing Director

Article 140 provides that

The Company shall not appoint or employ, or continue the appointment or employment of a person as its Managing Director or Whole-time Director who

(a) is an undischarged insolvent, or has at any time been adjudged an insolvent

(b) suspends, or has at any time suspended, payment to his creditors, or makes or has at any time made, a composition with them; or

(c) is or has at any time been convicted by a Court of an offence involving moral turpitude.

Meeting of Directors

Article 142 provides that

The Director may meet together as a Board for the dispatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.

Powers of Directors

Article 155 provides that

The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting.

(a) sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking;

(b) remit, or give time for the repayment of, any debt due by a Director;

(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

(d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose;

    Provided further that the powers specified in section 292 of the Act shall subject to these Articles be exercised only at meetings of the Board unless the same be delegated to the extent therein stated; or

(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty five thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the financial years immediately preceding whichever is greater.

Certain powers of the Board

Article 156 provides that

Without prejudice to the general powers conferred by the last preceding article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have following powers, that is to say, power -

(1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

(2) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereout under the provisions of Section 76 and 208 of the Act.

(3) Subject to Section 292, 297 ad 360 of the Act, to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

(4) At their discretion and subject to the provisions of the act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

(5) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of the Company and its uncalled capital for the time being or in such manner as they may think fit.

(6) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.

(7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes and to execute and do all such deeds and things as may be required in relation to any trust, and provide for remuneration of such trustee or trustees.

(8) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow the time, for payment or satisfaction of any debts, due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon.

(9) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

(10) To make and give receipts, releases, and other discharges for moneys payable to the Company and for the claims and demands of the Company.

(11) Subject to the provisions of Sections 292, 295, 369, 370, 372 and 372 A of the Act to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being shares of this Company) or without security and in such manner as they may think fit, and from time to time vary or realise such investments, save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.

(12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.

(13) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give, the necessary authority for such purposes.

(14) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of

the Company, and to give to any officer or other person employed by the Company, a commission on the profits of any particular business or transactions; and to charge such bonus or commission as part of the working expenses of the Company.

(15) To provide for the welfare of Directors or ex-Directors or employees and ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of the houses, dwelling or chawls, or by grants of money pension, gratuities, allowances, bonus or other payments, or by creating, and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place s of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise.

(16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay debentures or debenture-stocks, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes including the purposes referred to in the preceding clause, as the Board may, in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as require to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with or vary such investments and dispose of, apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company,

Notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of Reserve Fund or division of a Reserve Fund to another Reserve Fund or division of a Reserve Fund and with power to employ the assets constituting all or any of the above funds including the Depreciation Fund in the business of the Company or in the purchase or repayment of Debentures, debenture-stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine per cent per annum.

(17) To appoint and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments or remuneration and to require security in such instances and to such amount as they may think fit. And also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the four next following general powers conferred by this sub-clause.

(18) To comply with the requirements of any local law which in their opinion shall in the interests of the Company be necessary or expedient to comply with.

(19) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such Local Boards, and to fix their remuneration.

(20) Subject to Section 292 of the Act, from time to time, and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the board, other than their power to make calls or to make loans or borrow moneys, and to authorise the

Members for the time being of any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed and may annual or vary any such delegation.

(21) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members of any local board established as abovesaid or in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

(22) Subject to Sections 294 and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

(23) From time to time to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.

Division of profits

Article 161 provides that

The profits of the Company subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid-up or credited as paid-up on the shares held by them respectively.

The Company in General Meeting may declare a dividend

Article 162 provides that

The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

Interim Dividend

Article 164 provides that

The Board may, from time to time, pay to the Members, such interim dividend as in their judgement the position of the Company justifies.

No interest on dividends

Article 172 provides that

No unpaid dividend shall bear interest as against the Company.

Capitalisation

Article 174 provides that

(a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Share Premium Account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend ad in the same proportions and on the footing that they become entitled thereto as capital and on that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of the Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.

(b) General Meeting may resolve that any surplus moneys, arising from the realisation of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income tax be distributed among the members on the footing that they receive the same as capital.

(c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of less value than Rs. 10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Companies Act, 1956, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

Directors to keep true accounts

Article 175 provides that

The Company shall keep at the office or at such other place in India as the Board thinks fit, proper Books of Account in accordance with Section 209 of the Act with respect to -

(a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;

(b) all sales and purchases of goods by the Company.

(c) the assets and liabilities of the Company

Where the Board decides to keep all or any of the Books of Account at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving full address of that other place.

Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarised returns, made up to date at intervals of not more than three months, are sent by the branch office to the Company at its office or other place in India at which the Company's Books of Account are kept as aforesaid.

The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions. The Books of Account and other books and papers shall be open to inspection by any Director during business hours.

As to inspection of accounts or books by Members

Article 176 provides that

The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting of any account or books or document of the Company except as conferred by law or authorised by the Board.

Statement of Accounts to be furnished to General Meeting

Article 177 provides that

The Directors shall from time to time in accordance with Section 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profit and Loss Accounts and Reports as are required by these sections.

Service of documents or notices on members by Company

Article 181 provides that

(1) A document or notice may be served or given by the Company on any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, supplied by him to the Company for serving documents or notice on him.

(2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so; service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a notice of a meeting at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case, at the time, at which the letter would be delivered in the ordinary course of post.

Liquidator may divide assets in specie

Article 189 provides that

The liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a special resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories as the liquidator with the like sanction shall think fit.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this 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, Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts to the Issue

1. Engagement letter dated January 14, 2008 from our Company appointing the BRLMs.

2. Memorandum of Understanding between our Company and the BRLMs dated January 14, 2008.

3. Memorandum of Understanding between our Company and the Registrar to the Issue dated January 14, 2008.

4. Escrow Agreement dated [•] between the Company, the BRLMs, the Escrow Banks and the Registrar to the Issue.

5. Syndicate Agreement dated [•] between the Company, the BRLMs and the Syndicate Members.

6. Underwriting Agreement dated [•] between the Company, the BRLMs and the Syndicate Members.

7. Monitoring Agency Agreement dated [●] between the Company and the Monitoring Agent.

Material Documents

1. Our Memorandum and Articles of Association as amended from time to time.

2. Our certification of incorporation.

3. Board resolutions and IPO Committee resolutions in relation to the Issue.

4. Shareholders' resolutions in relation to the Issue.

5. Auditor's report, including statement of tax benefits, dated January 14, 2008 on the restated, consolidated and unconsolidated financial statements of the company by Lodha & Co., Chartered Accountants.

6. Shareholders' resolutions of the general body for appointment and remuneration of our whole-time Directors and Agreement between our Company and Mr. S.S. Rao.

7. Copies of annual reports of our Company for the last five financial years.

8. Consent of Lodha & Co., Chartered Accountants, our Auditors for inclusion of their report on restated financial statements in the form and context in which they appear in the Draft Red Herring Prospectus.

9. Consents of Auditors, Bankers to the Company, BRLMs, Registrar to the Issue, Domestic Legal Counsel to the Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, Directors of the Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

10. IPO Grading report dated [•] by [•].

11. Scheme of Demerger between JSWEIPL and JSWEL.

12. Due Diligence certificate from the BRLMs dated January 21, 2008.

13. Initial listing applications dated January 21, 2008 filed with BSE and NSE respectively.

14. In-principle listing approval dated [•] and [•] from BSE and NSE respectively.

15. Tripartite Agreement between NSDL, our Company and the Registrar dated September 26, 2001.

16. Tripartite Agreement between CDSL, our Company and the Registrar dated January 2, 2008.

17. SEBI observation letter [●] dated [●] and inseritum reply to same dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes

DECLARATION

All relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Directors of our Company

Mr. Sajjan Jindal

Mr. N.K. Jain

Mr. S.S. Rao

Mr. Siby Antony

Mr. P. Suresh

Mr. D J Balaji Rao

Mr. P. Abraham

Mr. Chandan Bhattacharya

Mr. Prashant R. Deshpande

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Signed by the Chief Financial Officer

Date: January 21, 2008

Place: Mumbai