DRAFT RED HERRING PROSPECTUS
Dated December 24, 2008
Please read Section 60B of the Companies Act, 1956
(This Draft Red Herring Prospectus will be
updated upon filing with the RoC)

100% Book Building Issue

GREAT EASTERN ENERGY CORPORATION LIMITED

GREAT EASTERN ENERGY CORPORATION LIMITED

Our Company was incorporated as "Modi Mckenzie Methane Limited" on May 29, 1992 under the Companies Act, 1956 ("**Companies Act**"). Our Company received the certificate of commencement of business on January 8, 1993. The name of our Company was changed to "Great Eastern Energy Corporation Limited" pursuant to a fresh certificate of incorporation granted to our Company on February 2, 1996, by the Registrar of Companies, National Capital Territory of Delhi and Haryana, at New Delhi ("**RoC Delhi**"). Our Company was converted into a private company pursuant to a fresh certificate of incorporation granted to our Company on June 16, 1998, by the RoC Delhi but since more than 25% of our then paid-up share capital was held by a public company, our Company was considered as a deemed public company and the status of our Company was again converted into a public company by way of amendment in the fresh certificate of incorporation granted to our Company on June 16, 1998. Currently, our registered office is situated at G.T. Road, Fatehpur, P.O. Sitarampur, Asansol 713 359, West Bengal, India. For details of changes in the registered office of our Company, see the section titled "History and Certain Corporate Matters" on page 80.

Registered Office: G.T. Road, Fatehpur, P.O. Sitarampur, Asansol 713 359, West Bengal, India.
Telephone: +91 341 225 3048; **Facsimile**: +91 341 225 1638.
Corporate Office: Signature Towers-A, 14th Floor, South City, NH-8, Gurgaon 122 001, Haryana, India.
Telephone: +91 124 455 9900; **Facsimile:** +91 124 258 0467.
Compliance Officer and Company Secretary: Mr. Parveen Arora; **E-mail**: investors@geecl.com, **Website**: www.geecl.com

PUBLIC ISSUE OF UPTO 91,280,501 EQUITY SHARES OF RE. 1 EACH ("EQUITY SHARES") OF GREAT EASTERN ENERGY CORPORATION LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] MILLION ("THE ISSUE"), CONSISTING OF A FRESH ISSUE OF UPTO 46,280,501 EQUITY SHARES BY THE COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF 45,000,000 EQUITY SHARES ("OFFER FOR SALE") BY YKM HOLDINGS PRIVATE LIMITED, YKM HOLDINGS INTERNATIONAL LIMITED AND MR. SANJIT BAKSHI (THE "SELLING SHAREHOLDERS"). THE ISSUE WILL CONSTITUTE APPROXIMATELY 15.45% OF THE FULLY DILUTED POST-ISSUE PAID-UP SHARE CAPITAL OF THE COMPANY.

Our Company is considering a pre-IPO placement of up to [●] Equity Shares prior to filing of the Red Herring Prospectus with the RoC ("**Pre-IPO Placement**"). If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement, will be reduced from the Issue, subject to a minimum Issue size of 10% of the post-Issue share capital.

PRICE BAND: RS. [●] TO RS. [●] PER EQUITY SHARE OF FACE VALUE OF RE. 1 EACH.

THE FLOOR PRICE IS [●] TIMES OF THE FACE VALUE AND THE CAP PRICE IS [●] TIMES OF THE FACE VALUE.

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

Pursuant to Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), this Issue is for less than 25% of the post-Issue equity share capital of our Company and is therefore being made through a 100% Book Building Process wherein at least 60% of the Issue shall 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 and the remainder shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. In addition, in accordance with Rule 19(2)(b) of the SCRR, a minimum of two million securities are being offered to the public and the size of the Issue shall aggregate to at least Rs. 1,000 million. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of the Equity Shares of our Company in India, there has been no formal market for the Equity Shares. The face value of the equity shares is Re. 1 each and the Issue Price is [●] times the face value. The Issue Price (as determined by our Company, in consultation with the BRLMs, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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

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 of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Global Depository Receipts of our Company are listed on the Alternative Investment Market of the London Stock Exchange, London. The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the [●] shall be the Designated Stock Exchange.

IPO GRADING

This Issue has been graded by [●] Limited and has been assigned the "IPO Grade [●]/5"indicating [●], through its letter dated [●], 2009. The rationale furnished by the grading agency for its grading, will be updated at the time of filing of the Red Herring Prospectus with the RoC/ Designated Stock Exchange. The IPO grading is assigned on a five point scale from 1 to 5 with an "IPO Grade 5" indicating strong fundamentals and an "IPO Grade 1" indicating poor fundamentals. For further details regarding the grading of the Issue, see the section titled "General Information" on page 11.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE ISSUE
Enam Securities Private Limited SEBI Reg. No: INM000006856 801/802, Dalamal Towers Nariman Point, Mumbai 400 021 Maharashtra, India. Telephone: +91 22 6638 1800 Facsimile: +91 22 2284 6824 E-mail: geecl.ipo@enam.com Investor Grievance E-mail: complaints@enam.com Website: www.enam.com Contact Person: Ms. Kinjal Palan	**ABN AMRO Asia Equities (India) Limited** SEBI Reg. No: INM000010551 83/84, Sakhar Bhavan, Behind Oberoi Towers, Nariman Point, Mumbai 400 021 Maharashtra, India. Telephone: +91 22 6632 5535 Facsimile: 91 22 6632 5541 E-mail: geecl.ipo@in.abnamro.com Investor Grievance E-mail: customercare.ecm@in.abnamro.com Website: www.abnamro.co.in Contact Person: Mr. Girichandra Kuchangi	**SBI Capital Markets Limited** SEBI Reg. No: INM000003531 202, Maker Tower 'E' Cuffe Parade, Mumbai 400 005 Maharashtra, India. Telephone: +91 22 2217 8300 Facsimile: +91 22 2218 8332 E-mail: geecl.ipo@sbicaps.com Investor Grievance E-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Mr. Abhishek Gupta	**Karvy Computershare Private Limited** SEBI Reg. No: INR000000221 Plot no. 17-24, Vithalrao Nagar Madhapur, Hyderabad 500 081 Andhra Pradesh, India. Telephone: +91 40 2342 0818 Facsimile: +91 40 2343 1551 E-mail: einward.ris@karvy.com Investor Grievance E-mail: geecl.ipo@karvy.com Website: www.karvy.com Contact Person: Mr. M. Murali Krishna

BID/ISSUE PROGRAM	
BID/ISSUE OPENING DATE : [●], 2009	**BID/ISSUE CLOSING DATE : [●], 2009**

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

Company Related Terms

Term	Description
The "Company", the "Issuer", "Great Eastern", "we" or "us" or "our"	Great Eastern Energy Corporation Limited, a public limited company incorporated under the Companies Act.
Articles/Articles of Association	The articles of association of our Company, as amended.
Auditors	The statutory auditors of our Company, being Price Waterhouse, Chartered Accountants.
Board of Directors/Board	The board of directors of our Company, as constituted from time to time.
Corporate Office	Signature Towers-A, 14th Floor, South City, NH-8, Gurgaon 122 001, Haryana, India.
Director(s)	The director(s) on the Board, as appointed from time to time.
ESOP 2008	Employee stock option scheme adopted by the shareholders of our Company by their resolution in the AGM dated July 17, 2008, as amended in the EGM dated September 8, 2008.
Equity Shares	Equity shares of our Company, of face value of Re. 1 each.
GDR Issue I	Placement of 18,803,504 GDRs by our Company in 2005 representing 94,017,520 Equity Shares (each GDR representing five Equity Shares) on the Alternative Investment Market of the London Stock Exchange, London, at a price of 101.00 pence per GDR. The placement comprised of a fresh issue of 12,000,000 GDRs representing 60,000,000 Equity Shares and a sponsored issue of 6,803,504 GDRs representing 34,017,520 Equity Shares by certain existing shareholders of our Company.
GDR Issue II	Sponsored issue of 57,418,843 GDRs by our Company in 2006 representing 287,094,215 Equity Shares (each GDR representing five Equity Shares) on the Alternative Investment Market of the London Stock Exchange, London, at a price of 127.50 pence per GDR by way of offer for sale by certain existing shareholders of our Company.
Key Managerial Employees	The employees of our Company listed as key managerial employees in the section titled "Our Management" on page 83.
Memorandum/Memorandum of Association	The memorandum of association of our Company, as amended.
Promoters	Mr. Yogendra Kumar Modi and YKM Holdings Private Limited.
Promoter Group	Individuals, companies and entities enumerated in the section titled "Our Promoters and Promoter Group" on page 96.
Selling Shareholders	YKM Holdings Private Limited, one of our Promoters, YKM Holdings International Limited, one of our Promoter Group companies, Mr. Sanjit Bakshi, one of our shareholders and, as may be permissible, GDR holders who may opt to participate in the Offer for Sale after the filing of this Draft Red Herring Prospectus.
Registered Office	G.T. Road, Fatehpur, P.O. Sitarampur, Asansol 713 359, West Bengal, India.

Issue Related Terms/Abbreviations

Term	Description
ABN AMRO	ABN AMRO Asia Equities (India) Limited having its registered office at 83/84, Sakhar Bhavan, Behind Oberoi Towers, Nariman Point, Mumbai 400 021 Maharashtra, India.
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of Equity Shares pursuant to the Issue.
Allottee	A successful Bidder to whom an Allotment is made.
Application Supported by Blocked Amount/ASBA/ASBA Form	The application form (whether physical or electronic) in terms of which an ASBA Bidder shall make a Bid containing an authorisation to block the Bid Amount in an ASBA Account and which will be considered as the application for Allotment pursuant to the terms of the Red Herring Prospectus.
ASBA Account	Account maintained by an ASBA Bidder with a self certified syndicate bankers

Term	Description
	which will be blocked by Self Certified Syndicate Banker to the extent of Bid Amount of the ASBA Bidder as specified in the ASBA.
ASBA Bidder	A Retail Individual Bidder who intends to apply through ASBA process and: (a) is a person resident in India as defined in the Foreign Exchange Management Act, 1999; (b) is bidding at the Cut-Off Price, with single bid option as to the number of Equity Shares Bid for; (c) is applying through blocking of funds in a bank account with the SCSB; and (d) has agreed not to revise his/her Bid.
Bankers to the Issue/Escrow Collection Banks	[●].
Basis of Allotment	The basis on which Allotment shall be made as described in the section titled "Issue Procedure – Basis of Allotment" on page 255.
Bid	An indication to make an offer during the Bidding/Issue Period by a Bidder to subscribe for Equity Shares at a price within the Price Band by the Bid cum Application Form, the Revision Form or at the Cut-off Price by an ASBA Bidder through ASBA Form, as the case may be.
Bidder	Any prospective investor who makes a Bid through the Bid cum Application Form or ASBA Form, as the case may be pursuant to the terms of the Red Herring Prospectus.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder and in case of ASBA Bidders, the Bid Amount mentioned in the ASBA Form.
Bid cum Application Form	The form in terms of which the Bidder makes a Bid pursuant to the Issue and which will be considered as the application for Allotment.
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date (inclusive of both days) during which Bidders can submit their Bids.
Bid/Issue Opening Date	The date on which the members of the Syndicate and the SCSBs shall start accepting Bids, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a Bengali newspaper, each with wide circulation.
Bid/Issue Closing Date	The date after which the members of the Syndicate and the SCSBs will not accept any Bids, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a Bengali newspaper, each with wide circulation.
Book Building Process	The book building process as described in Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made.
BRLMs/Book Running Lead Managers	The book running lead managers to the Issue, in this case being Enam, ABN AMRO, and SBI Caps.
Business Days	All days except Saturday, Sunday and any public holiday.
CAN/Confirmation of Allocation Note	The note or advice or intimation 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 finalized.
Controlling Branches	Such branches of the SCSBs which coordinate Bids under this Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/pmd/scsb.pdf.
Cut-off Price	Any price within the Price Band finalized by our Company, in consultation with the BRLMs, at which only Retail Individual Bidders and ASBA Bidders are entitled to Bid, for a Bid Amount not exceeding Rs. 100,000. It is mandatory for ASBA Bidders to Bid at the Cut-Off Price.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Form from the ASBA Bidders and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf.
Designated Date	The date on which the Escrow Collection Banks and the SCSBs transfer the funds from the Escrow Accounts and the ASBA Accounts respectively, to the Public Issue Account, in terms of the Red Herring Prospectus.
Designated Stock Exchange	[●].
Draft Red Herring Prospectus	This Draft Red Herring Prospectus issued by our Company in accordance with section 60B of the Companies Act and the SEBI Guidelines, which does not

Term	Description
	contain, *inter alia,* complete particulars of the price at which the Equity Shares are offered and the size (in terms of value) of the Issue.
Eligible NRI	An NRI from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue.
Enam	Enam Securities Private Limited having its registered office at 24, B.D. Rajabahadur Compound, Ambalal Doshi Marg, Fort, Mumbai 400 001, Maharashtra, India.
Escrow Accounts	Accounts opened with the Escrow Collection Banks for the Issue to which cheques or drafts of the Margin Amount are issued by a Bidder (excluding the ASBA Bidders), when submitting a Bid and the remainder of the Bid Amount, if any.
Escrow Agreement	An agreement to be entered into by our Company, the Selling Shareholders, the Registrar, the Escrow Collection Banks, the BRLMs and the Syndicate Members for the collection of Bid Amounts and for remitting refunds, if any, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalized and below which no Bids will be accepted.
Fresh Issue	The issue of 46,280,501 Equity Shares by our Company offered for subscription pursuant to the terms of the Red Herring Prospectus.
Issue	The public issue of an aggregate 91,280,501 Equity Shares, consisting of Fresh Issue and Offer for Sale.
Issue Price	The final price at which Equity Shares will be Allotted, as determined by the Book Building Process, as decided by our Company in consultation with the BRLMs.
Margin Amount	The amount paid or blocked in the ASBA Account, by the Bidder at the time of submission of the Bid cum Application Form or the ASBA Form, which may range between 10% to 100% of the Bid Amount.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended.
Mutual Fund Portion	5% of the QIB Portion, consisting 2,738,415 Equity Shares, available for allocation to Mutual Funds.
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for an amount more than Rs. 100,000.
Non-Institutional Portion	The portion of the Issue being not less than 10% of the Issue consisting of 9,128,050 Equity Shares available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.
Non-Residents	All eligible Bidders that are persons resident outside India, as defined under FEMA, including Eligible NRIs, FIIs and FVCIs.
Offer for Sale	The offer for sale of 45,000,000 Equity Shares by the Selling Shareholders, pursuant to terms of the Red Herring Prospectus.
Pay-in Date	The Bid/Issue Closing Date with respect to the Bidders whose Margin Amount is 100% of the Bid Amount or the last date specified in the CAN sent to the Bidders with respect to the Bidders whose Margin Amount is less than 100% of the Bid Amount.
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 specified in the CAN.
Pre-IPO Placement	The private placement of up to [●] Equity Shares by the Company from the Issue prior to filing of the Red Herring Prospectus with the RoC at a price not less than the volume weighted average of the price of the GDRs of the Company traded on AIM during the six months preceding September 8, 2008, being the date of the shareholder's resolution authorizing the private placement.
Price Band	The price band with Floor Price of Rs. [●] per Equity Share and Cap Price of Rs. [●] per Equity Share and any revisions thereof.
Pricing Date	The date on which the Issue Price is finalized by our Company in consultation with the BRLMs.
Prospectus	The prospectus of our Company to be filed with the RoC for the Issue post the Pricing Date which would include the Issue Price and the size of the Issue.

Term	Description
Public Issue Account	The account opened with the Bankers to the Issue by our Company and the Selling Shareholders to receive money from the Escrow Accounts and the ASBA Accounts on the Designated Date.
QIBs or Qualified Institutional Buyers	Public financial institutions specified in section 4A of the Companies Act, FIIs and their Sub-Accounts, scheduled commercial banks, Mutual Funds, multilateral and bilateral development financial institutions, FVCIs, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, NIF, provident funds with a minimum corpus of Rs. 250 million and pension funds with a minimum corpus of Rs. 250 million.
QIB Margin Amount	An amount representing at least 10% of the Bid Amount that the QIBs are required to pay at the time of submitting a Bid.
QIB Portion	The portion of the Issue being at least 60% of the Issue consisting of 54,768,301 Equity Shares, to be Allotted to QIBs on a proportionate basis.
Refund Account	The account opened with the Refund Banker(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding the ASBA Bidder) shall be made.
Refund Banker(s)	[●].
Registrar to the Issue	Karvy Computershare Private Limited having its registered office at Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad 500 034, India.
Retail Individual Bidders	Bidders (including HUFs and ASBA Bidders) who have Bid for an amount less than or equal to Rs. 100,000.
Retail Portion	The portion of the Issue being not less than 30% of the Issue consisting of 27,384,150 Equity Shares, available for allocation to Retail Individual Bidders and, subject to valid Bids being received at or above the Issue Price.
Revision Form	The form used by the Bidders except the ASBA Bidders to modify the quantity of Equity Shares or the Bid price in any of their Bid cum Application Forms or any previous Revision Form(s).
Red Herring Prospectus	The offer document to be issued in accordance with Section 60B of the Companies Act and the SEBI Guidelines, by our Company for the Issue.
SBI Caps	SBI Capital Markets Limited having its registered office at 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005, Maharashtra, India.
SEBI Guidelines	The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, as amended.
Securities Act	The U.S. Securities Act of 1933, as amended.
Self Certified Syndicate Bank/SCSB	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf.
Stock Exchanges	The BSE and the NSE.
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporates or foreign individuals.
Syndicate Agreement	The agreement to be entered into among our Company, the Selling Shareholders and members of the Syndicate, in relation to the collection of Bids (excluding Bids from the ASBA Bidders).
Syndicate Members	[●].
Syndicate or members of the Syndicate	The BRLMs and the Syndicate Members.
TRS or Transaction Registration Slip	The slip or document issued by any of the members of the Syndicate to a Bidder as proof of registration of the Bid.
Underwriters	The BRLMs and the Syndicate Members.
Underwriting Agreement	The agreement to be entered into among the Underwriters, our Company and the Selling Shareholders, on or after the Pricing Date.

Abbreviations/Terms

Term	Description
ASI	Adkins Services Incorporated.
AGM	Annual General Meeting.
AIM	The London Stock Exchange's Alternative Investment Market.
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.

Term	Description
AY	Assessment Year.
Block	The block in Raniganj (south), West Bengal, spanning an aggregate area of 210 square kilometers as described in the PSC and for which our Company has been granted a mining lease by the Government of West Bengal pursuant to its letter dated September 4, 2008 bearing reference number 480-CI/0/Coal/016/02/ML. Pt.
BSE	Bombay Stock Exchange Limited.
CDSL	Central Depository Services (India) Limited.
CIBIL	Credit Information Bureau (India) Limited
CIL	Coal India Limited.
CIN	Corporate Identification Number.
Companies Act	The Companies Act, 1956, as amended from time to time.
CrPC	The Code of Criminal Procedure, 1973.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
DGH	Directorate General of Hydrocarbons, Ministry of Petroleum and Natural Gas, GoI.
DIN	Director's Identification Number.
DP ID	Depository Participant's Identity.
EGM	Extraordinary General Meeting.
EPS	Earnings Per Share i.e., profit after tax for a Fiscal/period divided by the weighted average number of equity shares/potential equity shares during that Fiscal/period.
FDI	Foreign Direct Investment.
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto.
FII(s)	Foreign Institutional Investors as defined under Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995 and registered with SEBI under applicable laws in India.
Fiscal/ Financial Year/FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
FIPB	Foreign Investment Promotion Board.
FVCI	Foreign Venture Capital Investors, as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended and registered with SEBI.
GAAP	Generally Accepted Accounting Principles.
GDR	Global Depository Receipts.
GIR Number	General Index Registry Number.
GoI/Government	Government of India.
HUF	Hindu Undivided Family.
IPC	The Indian Penal Code, 1860.
IOCL	Indian Oil Corporation Limited.
ITAT	Income Tax Appellate Tribunal.
I.T. Act	The Income Tax Act, 1961, as amended from time to time.
IT Department	Income Tax Department.
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Rules, 1992.
MoEF	Ministry of Environment and Forests, GoI.
MoPNG	Ministry of Petroleum and Natural Gas, GoI.
MOU	Memorandum of Understanding.
NA	Not Applicable.
NAV	Net Asset Value.
NH	National Highway.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India.
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.

Term	Description
NRO Account	Non-Resident Ordinary Account.
NSAI	Netherland, Sewell & Associates, Inc.
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 at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Foreign Security by a Person resident outside India) Regulations, 2000.
p.a.	Per annum.
PAN	Permanent Account Number allotted under the I.T. Act.
P/E Ratio	Price/Earnings Ratio.
PLR	Prime Lending Rate.
PNGRB Act	Petroleum and Natural Gas Regulatory Board Act, 2006.
PNG Board	Petroleum and Natural Gas Regulatory Board.
RBI	The Reserve Bank of India.
RoC	Registrar of Companies, Kolkata, West Bengal.
RoC Delhi	Registrar of Companies, National Capital Territory of Delhi and Haryana, at New Delhi.
RONW	Return on Net Worth.
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.
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985.
SPE	Society of Petroleum Engineers.
TRAI	Telecom Regulatory Authority of India.
U.K.	United Kingdom.
U.S./U.S.A.	United States of America.
USD	U.S. Dollars, the official currency of U.S.A.
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America.
VCF	Venture Capital Funds as defined in and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended.
WPC	World Petroleum Council.

Industry Related Terms

Term	Description
APM	Administered Pricing Mechanism.
Bbls	Barrels.
Bcf	Billion cubic feet.
BCM	Billion cubic meter.
CBM	Coal bed methane.
Cf	Cubic feet.
Cm	Cubic meter.
CNG	Compressed natural gas.
EIA	Environmental Impact Assessment.
GIP	Gas in place.
GW	Gigawatts.
HDPE	High density polyethylene.
LPG	Liquefied petroleum gas.
MCF	Thousand cubic feet.
Mcm	Thousand cubic meter.
mD	Millidarci.
MDPE	Medium density polyethylene
mm	Millimeter.
mmcf	Million cubic feet.
mmbtu	Million British thermal unit.
mmscmd	Million standard cubic meter per day.

Term	Description
MW	Megawatts.
NELP	New Exploration Licensing Policy.
LNG	Liquefied natural gas.
PEL	Petroleum exploration license.
PLP	Production level payment.
PML	Petroleum mining lease.
PNG	Piped natural gas.
PSC	Production sharing contract.
Scf	Standard cubic feet.
scmd	Standard cubic meters per day.
Sq km	Square kilometer.
Tcf	Trillion cubic feet.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India. All references in this Draft Red Herring Prospectus to the "U.S.", "USA" or "United States" are to the United States of America.

Financial Data

Unless indicated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our summary restated financial statements, which are based on our audited financial statements restated in accordance with paragraph B (1) of Part II of Schedule II of the Companies Act and the SEBI Guidelines for Fiscal 2004, 2005, 2006, 2007 and 2008 and the three months period ended June 30, 2008. The audited financial statements are prepared in accordance with Indian GAAP. As our Company does not have any subsidiaries, there is no requirement to prepare consolidated summary financial statements.

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$", "U.S. Dollar" or "US Dollars" are to United States Dollars, the official currency of the United States of America. All references to "pence" are to the unit of GBP, and all references to "GBP" are to Great Britain Pound the official currency of the United Kingdom.

Market and Industry Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications 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 our 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.

Exchange Rates

This Draft Red Herring Prospectus contains translations of certain foreign 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 convenience translations should not be construed as a representation that those U.S. Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, the rates stated below or at all.

	As on June 30, 2008	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006
U.S Dollar	42.95	39.97	43.59	44.61
GBP	85.62	79.53	85.53	77.80

(Source: www.rbi.gov.in)

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward looking statements can generally be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue", "will likely result", " "contemplate", "seek to", "future", "goal", "should" or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- we are unable to stay up to speed with changes in technology;
- our ability to carry out our drilling and production plans;
- our business and operating strategies and our various measures to implement such strategies;
- our projections and estimates concerning the timing and success of specific projects;
- our financial position, cash flow and anticipated liquidity;
- the amount, nature and timing of our capital expenditures;
- enough demand generation in our captive location for gas;
- the amount of CBM we are able to extract from our Block;
- the future competitive environment for the CBM industry in India;
- the regulatory environment as well as the general industry outlook for the CBM industry in India;
- adverse developments in the area surrounding our Block;
- a liquid market fails to develop for our Equity Shares; and
- India's economic development does not proceed at the pace we anticipate.

For a further discussion of factors that could cause our actual results to differ, refer to the section titled "Risk Factors" on page x. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Future looking statements speak only as of the date of this Draft Red Herring Prospectus. Neither we, the Selling Shareholders, to the extent applicable, our Directors, Underwriters nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the BRLMs, our Company and the Selling Shareholders, to the extent applicable, will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should consider all information in this Draft Red Herring Prospectus ("DRHP"), including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks or any of the other risks and uncertainties discussed in this DRHP actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. These risks and uncertainties are not the only issues that we face; additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have a material adverse effect on our business, financial condition and results of operations.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the effect on our business is not quantifiable and has not been disclosed in such risk factors. Investment in equity shares involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing all or part of their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. Before making an investment decision, investors must rely on their own examination.

This DRHP also contains forward-looking statements that involve risks and uncertainties. The Company's results could differ from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this DRHP.

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

Internal Risk Factors

1. Our Company, Promoters, Directors and certain employees are involved in criminal proceedings.

Adkins Services Incorporated ("ASI") filed a complaint (no. 4308/1 of 2003) dated November 28, 2003, against our Company, Mr. Prashant Modi (our President and Chief Operating Officer), Mr. Yogendra Kumar Modi (our Managing Director and Promoter), Dr. Sudhir Kumar Grover (one of our former directors), Mr. Arun Nevatia (one of our Key Managerial Employees) and two of our former employees, Mr. Mohit Banerjee and Dr. P.K. Roy, before the Additional Chief Metropolitan Magistrate, New Delhi under Section 190 of the CrPC, alleging commission of offences under sections 420, 406, 403, 426, 506, 120B and 34 of the IPC. ASI has alleged, inter alia, that we misrepresented the fact of possessing permission for drilling of wells and that we withheld machinery, equipment, tools and payments due to ASI in the amount of Rs. 73.3 million. Further, ASI has filed an application under Section 156(3) of the CrPC seeking directions to concerned police officials for the registration and investigation of the matter.

In addition, there are four other criminal complaints pending against our Promoter and Managing Director, Mr. Yogendra Kumar Modi, in his capacity as a former director of Rossell Finance Limited. Three criminal complaints (nos. 265/01, 266/01 and 448/01 of 2006) are pending before the Metropolitan Magistrate, Patiala House, New Delhi against Rossell Finance Limited, Mr. Yogendra Kumar Modi and certain others for the alleged commission of fraud, breach of trust and cheating on account of the failure to repay matured amounts on certain fixed deposits.

Further, the Reserve Bank of India filed a criminal complaint (1358/2000) on November 29, 1999 before the Metropolitan Magistrate, Ballard Estate, Mumbai against Rossell Finance Limited, Mr. Yogendra Kumar Modi and others under Section 58E, 58B and 58C of the Reserve Bank of India Act, 1934 for failure to repay certain depositors in accordance with the orders of the Company Law Board dated June 18, 1998 and August 22, 1998.

These proceedings are at various stages of adjudication and any adverse order or decision by the concerned authorities could have an adverse effect on our business or cause the price of our Equity Shares to decline. For further details, see the section titled "Outstanding Litigation and Material Developments" on page 188.

2. There is outstanding litigation against our Company, Directors, Promoters and our Promoter Group entities.

We are involved in certain legal proceedings incidental to our business and operations. Furthermore, our Directors, Promoters and members of the Promoter Group are involved in certain legal proceedings. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities. In the event of rulings against us by courts or tribunals in these proceedings or the levy of penalties against us by statutory authorities, we may need to make payments to others or book provisions against future payments, which could increase our expenses and our current liabilities.

The table below summarizes litigation pending against us, our Promoters, our Directors and our Promoter Group companies as of November 30, 2008:

(In Rs. Million, approximately)

Category	Company		Promoters		Directors		Promoter Group Companies	
	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved
Criminal Proceedings	One	N.A.	Five^	N.A.	Five^	N.A.	Nil	-
Proceedings before the Debt Recovery Tribunal	Nil	Nil	Two	55.99	Two	55.99	Nil	Nil
Civil Proceedings	Six*	296.80*	Five	1.00[$]	Three	1.00[$]	Four	15.76
Tax proceedings	One	0.25	Four	0.92	Two	0.18	One	4.50

** Inclusive of two counter claims filed against our Company in arbitration proceedings initiated by our Company.*

[$] *There are three civil proceedings currently pending against Mr. Yogendra Kumar Modi, who is our Promoter as well as our Managing Director, in one of which an amount of Rs. one million (exclusive of interest) has been claimed against him.*

^These cases are pending against Mr.Yogendra Kumar Modi who is our Promoter as well as our Managing Director.

The table below summarizes litigation initiated by us, our Promoters, our Directors and our Promoter Group companies as of November 30, 2008:

(In Rs. million, approximately)

Category	Company		Promoters		Directors		Promoter Group Companies	
	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved
Civil Proceedings	Four	204.11	Three	34.32*	One	34.32*	Three	36.89

** Mr. Yogendra Kumar Modi, who is our Promoter as well as our Managing Director, has filed a case against Mr. Mahendra KumarModi and Mr. Devendra KumarModi for recovery of a sum of Rs. 34.32 million (exclusive of interest).*

For further details of legal proceedings involving our Company, Directors, Promoters and our Promoter Group, see "Outstanding Litigation and Material Developments" on page 188.

3. CBM initially in place and resources data are only estimates and are inherently uncertain, and the actual amounts may be more or less than these estimates.

The CBM initially in place and resources data set forth in this DRHP are estimates based primarily on technical analyses prepared by NSAI, independent petroleum consultants. The estimates reflect NSAI's best judgment at the time of the analyses based on up-to-date geological and geophysical analyses and appraisal work. We engaged NSAI to prepare estimates as of June 1, 2007 of the contingent and prospective resources contained within our Block.

Due to the early stage of development of our Block and the limited data available at the time NSAI prepared its June 1, 2007 report, only contingent and prospective resources were assigned to our Block. The uncertainty of reserves, especially in the early stages of development, sets CBM projects apart from conventional gas projects. In the case of CBM, the process of establishing reserves is tied to the production of gas from the wells. As more wells are drilled and dewatered the production data from these wells is used to reduce the uncertainty and classify more resources as reserves.

Petroleum engineering is a subjective process of estimating underground accumulations of natural gas that cannot be measured in an exact manner. Estimates of the value and quantity of economically recoverable natural gas reserves and rates of production necessarily depend upon several variables and assumptions, including the following:

- historical production from the area compared with production from other comparable producing areas;
- interpretation of geological, geophysical and core hole data;
- interpretation of data from GoI research institutes;
- assumptions concerning the future performance of wells and surface facilities;
- assumptions concerning development planning;
- assumed effects of regulations adopted by governmental agencies;
- assumptions concerning future natural gas prices;
- assumptions on capital expenditures; and
- assumptions concerning future operating costs, tax on the extraction of commercial minerals, development costs and workover and remedial costs.

Because all reserves and resources estimates are subjective and judgmental, each of the following items may individually or collectively differ from those assumed in estimating reserves and resources as set forth in the report prepared by NSAI:

- the quantity and quality of natural gas that are ultimately recovered;
- the production and operating costs incurred;
- the amount and timing of additional exploration and future development expenditures; and
- future natural gas sales prices.

The assumptions used in estimating reserves and resources are beyond the Company's control and may prove to be incorrect over time. The accuracy of any reserves or resources evaluation depends on the quality of available information and engineering and geological interpretation. Exploration, drilling, interpretation, testing and production after the date of the estimates may require substantial upward or downward revisions in our reserves or resources data. Moreover, different reservoir engineers may make different estimates of reserves and resources based on the same available data. Changes in the

price of natural gas may also adversely affect the estimates of our reserves because the reserves are evaluated based on prices and costs as of the appraisal date. Actual production, revenues and expenditures with respect to reserves and resources will vary from estimates, and the variances may be significant. If actual production is lower than expected, then our financial conditions and results of operations may be adversely affected.

The NSAI report is based on data available as of June 1, 2007. It should be noted that the Company has drilled a significant number of wells since June 1, 2007. The data available from drilling these additional wells is not considered in the NSAI report. The NSAI report may not be as comprehensive as a more recent report would be, as a more recent report would rely on data reflecting our additional development activities since June 2007. If the NSAI report proves to be inaccurate or inadequate, our business and results of operations may be adversely affected.

Under SPE standards, prospective resources are those deposits that are estimated, on a given date, to be potentially recoverable from undiscovered accumulations. By contrast, contingent resources are those deposits that are estimated, on a given date, to be potentially recoverable from known accumulations, but that are not currently considered commercially recoverable. The Company has substantial prospective and contingent resources. If estimates of our reserves and resources prove to be incorrect, our business and results of operations may be adversely affected.

4. Drilling for and producing natural gas are costly and high-risk activities with many uncertainties that could adversely affect our financial condition or results of operations.

The cost of drilling, completing and operating a well is often uncertain, and cost factors can adversely affect the economics of a well. Our drilling and producing operations may be curtailed, delayed or canceled as a result of various factors, including:

- rising costs, shortages or delivery delays of drilling rigs, equipment, labor or other services;
- reductions in natural gas prices;
- limitations in the market for natural gas;
- adverse weather conditions such as seasonal monsoons;
- facility or equipment malfunctions;
- difficulty disposing of water produced as part of the CBM production process;
- equipment failures or accidents;
- title problems on the land required to set up well sites;
- pipe or cement failures or casing collapses;
- compliance with environmental and other governmental requirements;
- environmental hazards, such as gas leaks, pipeline ruptures and discharges of toxic gases;
- lost or damaged drilling and service tools;
- loss of drilling fluid circulation;
- unexpected operational events and drilling conditions;
- unusual or unexpected strata or geological formations;
- formations with abnormal pressures;

- natural disasters, such as fires;
- blowouts, surface craterings and explosions; and
- uncontrollable flows of gas or well fluids.

A productive well may become uneconomic if deleterious substances are encountered which impair or prevent the production of natural gas from the well. We may drill wells that are unproductive or, although productive, do not produce natural gas in commercial quantities. Unsuccessful drilling activities could result in higher costs without any corresponding revenues. Furthermore, a successful completion of a well does not ensure a profitable return on the investment. If our wells do not produce as planned, our results of operations may be adversely affected.

5. Because of our lack of operational asset and geographic diversification, adverse developments in our operating area would adversely affect our results of operations.

All of our operational assets are currently located in West Bengal, and we carry out all our gas operations on our Block in Raniganj, West Bengal. As a result, our business is disproportionately exposed to adverse developments affecting this region. These potential adverse developments could result from, among other things, changes in governmental regulation, political instability in the region, capacity constraints with respect to the pipelines connected to our wells, curtailment of production, disputes with residents on our Block, or adverse weather conditions in or affecting this region. Due to our lack of diversification in asset type and location, an adverse development in our business or in this operating area may affect our financial condition and results of operations.

6. We may face unanticipated water disposal costs.

We are subject to regulations that restrict our ability to discharge water produced as part of our production operations. Coal beds frequently contain water that must be removed in order for the natural gas to detach from the coal and flow to the well bore, and our ability to remove and dispose of sufficient quantities of water from the coal seam will determine whether we can produce natural gas in commercial quantities, or at all. Also, the cost to transport and dispose of that water, including the cost of complying with regulations concerning water disposal, may reduce our profitability.

Where water produced from our wells fails to meet the quality requirements of applicable regulatory agencies, we may have to close wells in production or upgrade facilities for water handling or treatment. The costs to treat this produced water may increase if any of the following occur:

- we cannot obtain permits from applicable regulatory agencies;
- water of lesser quality or requiring additional treatment is produced;
- our wells produce excess water;
- new laws and regulations require water to be disposed in a different manner; or
- costs to transport the produced water increase.

The water produced from our wells is stored in pits, where the water quality is tested. The water is tested as per industry norms and used in our drilling operations. Water produced from existing and new wells in the future may be in larger quantities or of lesser quality than anticipated and the current storage, testing and disposal capacity may not be sufficient. Further, water treatment and disposal standards may develop and become more stringent. Any of these factors may result in an increase in our water treatment and disposal costs.

If our water treatment and disposal costs increase, or regulations regarding water disposal change, our results of operations may be adversely affected.

7. Our operations expose us to significant costs and liabilities with respect to environmental and operational safety matters applicable to our operations.

We may incur significant costs and liabilities as a result of environmental, health and safety requirements applicable to our operations. These costs and liabilities could arise under national, state and local environmental, health and safety laws and regulations, including enforcement policies. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, imposition of cleanup and site restoration costs and liens, and the issuance of injunctions to limit or cease operations. In addition, claims for damages to persons or property may result from environmental and other aspects of our operations. Moreover, it is not uncommon for neighboring landowners and other third parties to file claims for damages as a result of environmental and other accidents.

We may be liable for environmental damage caused by our third party contractors. Under arrangements entered into by us with certain parties, we are responsible and are required to indemnify the contractors for environmental damage and related losses caused by our operations without regard to the negligence of the contractor. Further, certain of our service contracts limit the third party contractors' liability for pollution caused by their activities. Our insurance coverage does not cover all potential liabilities that may arise as a result of environmental damage caused by third party contractors or by us and any such damage may have an adverse effect on our results of operations. For further details on environmental regulations in India, see "Regulations and Policies".

8. There is a significant delay between the time we drill and complete a well and when the well reaches peak gas production. As a result, there will be a significant time lag between when we make capital expenditures and when we will begin to recognize significant cash flow from those expenditures.

Generally, in our business there are significant periods of time between the time a well is drilled and completed and when the well is connected to the gas gathering system. This period between the time when we make capital expenditures to drill and complete a well and when we will begin to recognize significant cash flow from those expenditures may adversely affect our results of operations.

9. If we stop production of gas from a well for an extended period of time, water will accumulate in the coal seams, which will require the well to be de-watered again.

If we stop production at a well, or production is stopped for reasons beyond our control for an extended period of time before all its resources have been produced, water will accumulate in the coal seams and we will have to de-water that well again to restart production. This will delay our production plans and may adversely affect our business and results of operations.

10. Using natural gas as fuel is new in West Bengal and may not become a widely-accepted alternative to other fuel sources.

Natural gas is not currently a widely-used type of fuel in West Bengal and may not become a common alternative to other fuels. There are currently very few customers using natural gas as fuel in the vicinity of our Block, and there is no guarantee that additional customers will adopt natural gas as their fuel source. There are costs required to switch from other fuel sources to natural gas, and some customers may choose not to proceed with switching if they decide the cost is too high. While the use of natural gas may be established in other markets, there is no track record for development in West Bengal. Further, supply of natural gas in our geographical market is currently limited. If the supply of natural gas in West Bengal does not increase or demand for natural gas does not develop in our geographical market, our business, revenues and results of operations will be adversely affected.

11. We own one rig which we use to drill our wells and one workover rig. If either of these rigs is damaged or we are unable to operate these rigs, our drilling plans may be delayed.

We own one rig which we use to drill our wells, and one workover rig used to maintain each completed well. We also lease one additional workover rig. We will continue using these rigs to complete and operate any new wells we dig. If our rigs are damaged, or we are for some reason not able to use the rigs or acquire new rigs, our drilling plans will be delayed. We may be forced to pay for repairs, or

lease or purchase new rigs to continue drilling new wells. We cannot provide any assurance that we will be able to do this fast enough to keep pace with our drilling operations, or at all. Any slowdown in our drilling plans may adversely affect our business and results of operations.

12. The unavailability or high cost of equipment, supplies and services could adversely affect our ability to execute our exploration and development plans on a timely basis and within our budget.

During the past few years, there has been a shortage of equipment, supplies and services we require. During these periods, the costs and delivery times of rigs, equipment, supplies and services are substantially greater. As a result of historically strong prices of natural gas, the demand for gas services has risen, and the costs of these services and supplies are increasing. If the unavailability or high cost of drilling rigs, equipment, supplies or services become particularly severe in the areas where we operate, our business and results of operations could be adversely affected.

13. Shortages of crews could delay our operations and adversely affect our ability to increase production.

Higher natural gas prices generally stimulate increased demand and result in increased wages for crews, with skilled and unskilled personnel, in our production operations, creating a shortage of crews at reasonable costs. Also, some of our third party contractors who perform specialized functions in relation to our operations are foreigners and the specialized skills they provide may not exist in India, and will thus be more difficult to replace. These types of shortages could increase our costs and/or restrict or delay our ability to drill the wells and conduct the operations that we currently have planned. Our third party contractors may also face difficulties in hiring laborers to execute the drilling and production activities we outsource to them. Any increase in labor costs could adversely affect our ability to increase our production and may lead to a reduction in our revenue. Additionally, higher labor costs could cause an increase in our capital expenditures and costs of operation, which may adversely affect our business and results of operations.

14. We may experience difficulties with the quality of service provided by some of our third party contractors, and our operations could be adversely affected.

We rely on third party contractors to carry out a substantial portion of the work on our Block, including exploration, engineering, drilling and completion work, infrastructure construction and transportation. As a result, our operations may be affected by the performance of our contractors. Although we monitor the work of our third party contractors, we may not be able to control the quality, safety and environmental standards of the work done through third party contractors to the same extent as when the work is performed by our own employees. If our third party contractors do not meet our quality standards or violate our contracts or any government regulations or labor laws, if our contractual relationships become the subject of litigation, if our third party contractors fail to conform to generally accepted ethical standards, or if our third party contractors attempt to prematurely end our working relationships, our business could be adversely affected. Further, if our third party contractors fail to pay wages to their employees within the prescribed period and for the prescribed amount, we will be liable to the employees of our third party contractors for payment of unpaid wages.

15. Our natural gas reserves will be depleted over time and we may be unable to develop or acquire additional natural gas reserves.

Our future natural gas reserves, production, and results and cash flows to be derived therefrom are highly dependent on our acquiring or discovering new natural gas reserves. Without the addition of new natural gas reserves, our production will decline over time as our existing natural gas reserves are exploited. A future increase in our natural gas reserves will depend on our ability to select and acquire suitable producing properties or prospects, our ability to develop new properties, and our application for the rights and licenses needed to develop a block being approved by the authorities. There can be no assurance that our future exploration and development efforts will result in the discovery and development of additional commercial accumulations of natural gas, or that we will be able to secure licenses to develop other blocks in the future.

16. We may be unable to successfully distribute our natural gas, which may adversely affect our business and results of operations.

We are building a distribution network for our natural gas which will include pipelines and truck mounted cascades. If we are unable to develop this network, we will be unable to distribute our natural gas in significant quantities. We may also face construction delays, cost overruns and delays in receiving right of way approvals or other licenses needed to build our pipelines, which may each restrict our ability to distribute gas. If we are unable to distribute natural gas we produce in the quantities and on the timeline we envision, our business and results of operations will be adversely affected.

17. We may have difficulty managing growth in our business or implementing our strategies.

Because of the relatively small size of our current business operations, growth in accordance with our business plans, if achieved, could place a significant strain on our financial, technical, operational and management resources. The failure to continue to upgrade our technical, administrative, operating and financial control systems or the occurrence of unexpected expansion difficulties, including the recruitment and retention of required personnel could have an adverse effect on our business, financial condition and results of operations and our ability to timely execute our business plan.

Further, we cannot assure you that we will be successful in implementing our strategies in expanding the scope of our operations to sell the natural gas we produce to large commercial buyers. If we are unsuccessful in implementing this strategy, our business and results of operations could be adversely affected.

18. Our risk management policies and procedures may leave us exposed to unidentified or unanticipated risks.

Our risk management strategies and techniques may not be effective in mitigating our risk exposure in all market environments or against all types of risk. We are exposed to the risk that third parties who owe us money, securities or other assets will not perform their obligations. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure, breach of contract and other reasons. We are also subject to the risk that our rights against third parties may not be enforceable in all circumstances. In addition, concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, which in turn could adversely affect our results of operations.

19. Our business involves many hazards and operational risks, some of which may not be fully covered by insurance. If a significant accident or event occurs that is not fully insured, our operations and financial results could be adversely affected.

There are a variety of risks inherent in our operations that may generate liabilities, including contingent liabilities, and financial losses to us, such as:

- damage to wells, pipelines, related equipment and surrounding properties caused by hurricanes, tornadoes, floods, fires and other natural disasters and acts of terrorism;
- inadvertent damage to construction and utility equipment;
- leaks or losses of natural gas as a result of the malfunction of equipment or facilities or blowouts; and
- other hazards that could also result in personal injury and loss of life, pollution and suspension of operations.

Any of these or other similar occurrences could result in the disruption of our operations, substantial repair costs, personal injury or loss of human life, significant damage to property, environmental pollution, impairment of our operations and substantial revenue losses.
In accordance with industry practice, and under the terms of the PSC, we currently possess property and general liability insurance at levels we believe are appropriate, however, insurance against all

operational risk is not available to us. We are not fully insured against all risks, including drilling and completion risks that are generally not recoverable from third parties or insurance. Pollution and environmental risks generally are not fully insurable. Additionally, we may elect not to obtain insurance if we believe that the cost of available insurance is excessive relative to the perceived risks presented. Losses could, therefore, occur for uninsurable or uninsured risks or in amounts in excess of existing insurance coverage. Moreover, insurance may not be available in the future at commercially reasonable costs and commercially reasonable terms.

There can be no assurance that we will be able to obtain the levels or types of insurance we would otherwise have obtained prior to these market changes or that the insurance coverage we do obtain will not contain large deductibles or fail to cover certain hazards or cover all potential losses. Losses and liabilities from uninsured and underinsured events and delay in the payment of insurance proceeds owed to us could have an adverse effect on our results of operations.

20. Our success depends on our ability to retain our current key management personnel, and hire new qualified professionals.

Our success depends to a significant extent on the continued services of our key management personnel. If one or more of these individuals were unable or unwilling to continue in his present position our business might be temporarily disrupted and we might not be able to find replacements on a timely basis or with the same level of skill and experience. Finding and hiring any such replacements could be costly and might require us to grant significant equity awards or other incentive compensation, which could adversely affect our financial results. Due to the current limited pool in India of skilled personnel, competition for senior management, commercial and finance professionals and engineers in our industry is intense. We do not maintain key-person life insurance for any of our management personnel or other key employees. For a discussion on our key management personnel, see "Our Management" on page 83.

21. We must obtain and retain governmental permits and approvals for our drilling operations and the construction of our pipelines, which can be a costly and time consuming process and may result in restrictions on our operations.

Regulatory authorities exercise considerable discretion in the timing and scope of permit issuance. Requirements imposed by these authorities may be time consuming and may result in delays in the commencement or continuation of our exploration or production operations. For example, we are often required to prepare and present to central, state or local authorities data pertaining to the effect that proposed exploration for or production of natural gas may have on the environment. We are also required to apply for right of way permits to build our pipelines on land we do not own. Due to these and other factors, permits we need may not be issued, or if issued, may not be issued in a timely fashion, or may involve requirements that restrict our ability to conduct our operations or to do so profitably.

***22.* We have had in the past, and expect to have in the near future, negative cash flows.Our Company has also incurred losses in the past years.**

Since the commencement of significant investment in the exploration and appraisal of our Block, we have had negative cash flows. As a result, the principal source of our liquidity is expected to be cash made available through our credit facilities, and from anticipated proceeds from the Issue and cash generated from operations also made available. We expect to continue to be cash flow negative in the near future.Our business is in an early stage of development, and we have only begun recognizing sales of natural gas during fiscal 2008. Our Company has incurred losses in the past years.

23. Our Promoter Group companies have incurred losses in the past and one of our Promoter Group Companies has had a negative net-worth in the past three years.

Certain members of our Promoter Group have incurred losses in the past three years. The Profit/ (Loss)

after tax for the respective years for these companies is as shown in the table below:

(Rs. in million)

Name of members of the Promoter Group	Fiscal 2008	Fiscal 2007	Fiscal 2006
Modi Telecommunications Limited	(8.42)	(14.85)	(70.16)
CBM Investments Limited	(26.00)	(9.00)	244.00
YKM Holdings International Limited	(11.00)	(3.00)	107.00

For further details, see the section titled "Our Promoters and Promoter Group" on page 96.

Modi Telecommunications Limited has had a negative net worth in the past three years, as shown in the table below:

(*Rs. in million*)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Share capital	330.60	330.60	330.60
Reserves (excluding revaluation reserves)/ Accumulated losses	(662.16)	(653.74)	(639.18)
Total net worth	(331.56)	(323.14)	(308.58)

24. One of our Promoters, YKM Holdings Private Limited, has incurred losses in two of the past three fiscal years.

YKM Holdings Private Limited is one of our Promoters and has incurred losses in two of the last three years. The Profit/ (Loss) after tax of YKM Holdings Private Limited for the respective fiscal years is as set forth in the table below:

(Rs. in millions)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Profit / (Loss) after tax	(88.16)	0.46	(3.27)

For more information regarding our Promoters, see the section titled "Our Promoters and Promoter Group" on page 96.

25. If we do not invest in new technologies and equipment, our current technologies and equipment may become obsolete and our cost of production may increase relative to our competitors, which would have an adverse effect on our ability to compete and our results of operations.

Our profitability and competitiveness are in large part dependent upon our ability to maintain a low cost of production as we sell commodity products with prices we are unable to influence. Unless we continue to invest in newer technologies and equipment and are successful at integrating such newer technologies and equipment to make our operations more efficient, our cost of production relative to our competitors may increase and we may cease to be profitable or competitive. However, newer technologies and equipment are expensive and the necessary investments may be substantial. Moreover, such investments entail additional risks as to whether the newer technologies and equipment will reduce our cost of production sufficiently to justify the capital expenditures to obtain them. Any failure to make sufficient investments in beneficial newer technologies and equipment or in integrating such newer technologies and equipment into our operations could have an adverse effect on our ability to compete and on our results of operations.

26. We intend to pursue opportunities outside of our existing markets through acquisition of oil and gas assets outside of India, and we may face added business, political, regulatory, operational, financial and economic risks, any of which could increase our costs and hinder our growth.

An important element of our business strategy is the expansion of our operations by targeting markets, particularly outside India, in which we do not currently operate. However, we have no experience in international expansion, and thus we may face considerable challenges in executing our strategy. We cannot assure you that we will be able to expand outside of India on a timely basis or at all, which may adversely affect our business, operating results and financial condition. In addition, if we expand globally, this may increase our costs of operations and decrease our profitability or adversely affect our financial condition.

27. We have not yet placed any orders for purchase of the pipes or the machinery required for drilling the wells and for group gathering stations and neither have we entered into any agreements for laying the pipelines which is a part of the objects of the Issue.

The objects of our Issue are to lay pipelines to further strengthen our distribution channels and drilling of additional wells and group gathering stations. We have obtained quotations for purchasing and laying the pipes as well as for the machinery to be used in drilling the wells and for group gathering stations but have not yet placed orders or entered into any agreement for the full amount allocated for these objects. There might be a substantial time gap in obtaining of the quotations and placing of the orders for purchase of pipes and machineries and laying of the pipelines. Thus we cannot assure you that we will be able to purchase the pipes and/ or the machinery required or enter into agreements for laying of the pipelines at the same price at which we obtained quotations.

28. We have substantial borrowings and will continue to have substantial borrowings and debt service obligations following the Issue.

As of June 30, 2008, we had total borrowings of Rs. 969.81 million. We expect to incur additional borrowings in the future. Our high degree of leverage could have significant consequences to our shareholders and our future financial results and business prospects, including but not limited to the following:

- if we are unable to meet our debt obligations through internal accruals, a portion of our cash flow will be used towards repayment of our debt, which will reduce the availability of cash to fund working capital needs, capital expenditures and other general corporate requirements;

- our ability to obtain additional financing in the future at reasonable terms may be restricted;

- fluctuations in market interest rates may affect the cost of our borrowings, as our loans are at variable interest rates; and

- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

There can be no assurance that our business will generate cash in an amount sufficient to enable us to service our debt or fund other liquidity needs. In addition, we may need to refinance all or a portion of our debt on or before maturity. There are restrictions under certain of our financing documents on creating, incurring, assuming or suffering to exist any security interest upon or with respect to any property or revenue or assets, except for permitted security interests. Recently, interest rates for borrowings have increased in India, which may increase the cost of our borrowing. There can be no assurance that we will be able to refinance any of our debt on commercially reasonable terms, or at all. For more information regarding our borrowings, see "Financial Indebtedness" on page 183.

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

As we have incurred substantial floating interest rate debt, we are exposed to interest rate risk. As of June 30, 2008, our Company had floating interest rate borrowings of Rs. 969.81 million. Our current debt facilities carry interest at floating rates with a provision for the periodic reset of interest rates. We do not currently enter into any swap or interest rate hedging transactions in connection with such loan agreements to mitigate our interest rate exposure. Although, we may enter into interest rate hedging contracts or other financial arrangements in the future to mitigate our exposure to interest rate fluctuations, we cannot assure you, however, that we will be able to do so on commercially reasonable terms or any of such agreements we enter into will protect us fully against our interest rate risk. Any increase in interest rates may have an adverse effect on our business and results of operations.

30. The restrictive covenants imposed on us under our loan agreement could adversely affect our ability to conduct our business.

Our loan agreement includes various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. The major corporate actions for which we require the prior written consent of our lenders include, among others, a change in capital structure, any new project or implementing a scheme of expansion or acquiring fixed assets, borrowing arrangements with other banks, declaration of dividends, any transfer of the controlling interest or making drastic changes in the composition of our management and amending our accounting methods.

Compliance with the various terms of the loan is subject to interpretation and there can be no assurance that we would receive all consents from our lenders required under the loan agreement. Any failure to comply with consent requirements or perform any condition or covenant could lead to a termination of our loan agreement, acceleration of amounts due under the loan agreement and cross-defaults under certain of our other financing agreements, any of which may adversely affect our ability to conduct our business and have an adverse effect on our financial condition and results of operations. For further details of our financing arrangements, see the section titled "Financial Indebtedness" on page 183.

31. We believe that certain tax benefits are availanle to us and any change in the tax benefits available to us may adversely affect our results of operation.

We believe we are eligible for a tax benefit envisaged under section 80 (IB)(9) of the Income Tax Act, 1961. The judiciary in India is yet to determine whether CBM will be among those resources deemed to be "mineral oil" for purposes of section 80 (IB)(9) of the Income Tax Act, 1961. If CBM is deemed not to be among these resources and we are not able to avail the aforesaid benefits under Section 80 (IB)(9) of the Income Tax Act, 1961, our results of operations will be adversely affected.

32. We may not be able to establish new off-take arrangements for our natural gas on terms acceptable to us or at all.

While we have entered into short-term off-take agreements for some of our existing production, our consumers may opt not to extend or renew these short-term off-take agreements with us upon their expiration. There can be no assurance that we will be able to enter into long-term off-take arrangements, or new short-term agreements, on terms, including gas price, gas sales volume and tenor, that are acceptable to us. Failure to enter into or renew both short-term and long-term off-take arrangements in a timely manner and on terms that are acceptable to us could adversely affect our business and results of operations.

33. If we default on our obligations under our loan agreement with the consortium of banks and a financial company, our lenders would be able to convert the outstanding balance of the underlying loan into Equity Shares.

If we default on our obligations under our loan agreement for Rs. 3,500.00 million from a consortium of banks and a financial company consisting of the State Bank of India, State Bank of Indore, L&T Infrastructure Finance Company Limited, State Bank of Mysore, Canara Bank, State Bank of Patiala, State Bank of Saurashtra, State Bank of Travancore and Union Bank of India, our lenders have the

right to convert the then outstanding balance of the underlying loan into Equity Shares at a mutually acceptable formula. If our lenders exercise their conversion rights, the resulting issuance of new Equity Shares would dilute the holdings of investors in the Equity Shares, which could adversely affect the market price of the Equity Shares.

34. We may not be able to secure the land necessary to develop our drilling sites within our Block and our pipelines within our Block and in the area surrounding our Block.

We must purchase or lease the land above prospective natural gas reserves within our Block in order to drill the well and build other infrastructure. Our license does not compel land owners within our Block to sell or lease to us. We must negotiate with each land owner on an individual basis. Land owners may decide not to sell or the lease the land to us for a variety of reasons beyond our control. If we are unable to buy or lease the plots of land above prospective natural gas reserves, we will be unable to develop that part of our Block. If parts of our Block remain undeveloped because we are unable to buy the land above prospective reserves our results of operations will be adversely affected.

We are building pipelines to transport our natural gas to customers. This involves gaining easements or right of way permission from various authorities and land owners. We cannot guarantee that we will be able to secure such rights to build our pipelines on a particular parcel of land in a timely fashion or at all, and as a result we may have to change the location and length of our pipelines. Any delay in the construction of, or increase in the length of, our pipelines could increase our construction costs and limit our ability to get our CBM to the market, which could adversely affect our business and results of operations.

35. We may not be able to identify or correct any defects or irregularities in title to the lands upon which we have developed or intend to develop our wells.

There may be various legal defects, restrictions, requirements and irregularities in title to the lands on which we have developed or intend to develop our wells, which we may not be able to fully identify, comply with or assess. Our rights in respect of these lands may be compromised by improperly executed, unregistered or insufficiently stamped conveyance instruments in the property's chain of title, unregistered encumbrances in favor of third parties, rights of adverse possessors, ownership claims of family members of prior owners, or other defects that we may not be aware of. Any defects or irregularities of title may result in loss of development rights over land, which will prejudice the success of the well intended for the parcel of land and may require us to expense off substantial expenditures in respect of that well. Any inability to identify defects or irregularities of title, and any inability to correct any such defects or irregularities of title may have an adverse effect on our business and results of operations. Any decision to acquire land based on inaccurate, incomplete or dated information may result in risks and liabilities associated with acquiring and owning such parcels of land.

36. Our royalty and production level payment obligations are based on a minimum price, although we may charge our customers less than that for our gas.

Under our PSC, our royalty and production level payment obligations are based on a minimum price of $6.79/mmbtu at the well head. If we sell our gas below that minimum price, we are still obligated to pay the royalty and production level payment at the minimum price. If we charge our customers less than the minimum price, our effective royalty and production level payment rate, as a percentage of sales value, will increase. In the event that our effective royalty and production level payment rates increase, our results of operations will be adversely affected.

37. Our contingent liabilities could adversely affect our financial condition and results of operations.

The contingent liabilities not provided for and outstanding guarantees as of June 30, 2008 (as disclosed

in our financial statements) include:

(Rs. in million)

Particulars	June 30, 2008	Fiscal 2008	Fiscal 2007	Fiscal 2006
Claims made by Adkins Services	420.24	411.21	278.10	278.10
Claims made by the GoI	10.20	9.98	8.55	4.10
Claims made by the Income Tax Authority	0.25	0.25	-	0.12
Claims made by M.R. Associates	0.75	-	-	-
Claims made by D.S. Steel	7.36	-	-	-

If any of these contingent liabilities materialize, the value of our capital works in progress and profitability could be adversely affected. For further details, see "Financial Statements" on page 111.

38. Grants of stock option under our employee stock option plan will result in a charge to our profit and loss account and will reduce our profits.

We have adopted an ESOP, under which eligible employees of our Company are able to participate, subject to such approvals as may be necessary. As per the ESOP, we are permitted to grant options which, if fully exercised, would result in the issue of up to a maximum of 5,000,000 Equity Shares, constituting 0.85% of our post-Issue paid up capital. The total number of Equity Shares arising as a result of full exercise of options already granted, as of August 31, 2008, would be 432,658 Equity Shares. For further details on the exercise prices of the options please refer to the section titled "Capital Structure – Notes to Capital Structure – Employee Stock Option Scheme" on page 29.

Under Indian GAAP, the grant of these stock options may result in a charge to our profit and loss account based on the difference between the fair market value of the Equity Shares determined on the date of the grant of the stock options and the exercise price. This expense will be amortized over the vesting period of the stock options.

39. We operate in a highly regulated industry and the regulatory environment in which we operate is subject to change, which may indirectly adversely affect our operations.

We are subject to various central, state and local laws and regulations with respect to our operations and cannot guarantee that we may not be subject to other regulations and licensing requirements including new regulations issued by any legislative, governmental, statutory or administrative authorities in the future which may adversely affect our business, financial condition and prospects.

The extensive regulatory structure under which we operate may constrain our ability to respond to market conditions, competition or changes in cost structure. In addition, we are required to obtain certain approvals and licenses from various regulatory bodies. There can be no assurance that such approvals and licenses will be granted on a timely basis or at all, which may result in delays in achieving, or otherwise frustrate the achievement of, certain exploration, development and production targets.

Among other recent developments, the Petroleum and Natural Gas Regulatory Board Act, 2006 (the "PNGRB Act") came into force in India in April 2006 and was renotified on October 1, 2007, the new effective date. The PNGRB Act provides for the creation of a "Petroleum and Natural Gas Regulatory Board" (the "PNG Board") and vests the PNG Board with certain powers and functions, including: (a) the protection of Indian consumers' interests by fostering fair trade and competition among those engaged in or intending to be engaged in refining, processing, storage, transportation, distribution, marketing, import and export of petroleum, petroleum products and natural gas including laying of pipelines for transportation of petroleum, petroleum products and natural gas; (b) ensuring adequate availability in the Indian market of petroleum, petroleum products and natural gas: (c) monitoring prices and taking corrective measures to prevent restrictive trade practices in relation to petroleum, notified petroleum, petroleum products and natural gas; (d) securing equitable distribution of petroleum and petroleum products; (e) imposing fees and other charges, and (f) regulating the technical standards and specifications including safety standards in activities relating to petroleum, petroleum products and natural gas.

Our exploration, development and production activities will continue to be regulated by the MoPNG and the DGH. As the rules, regulations and jurisprudence of the PNG Board in relation to the refining, storage and transportation of crude oil and natural gas are uncertain and under-developed, there can be no assurance that such rules, regulations and jurisprudence will not evolve in a manner which may have an adverse effect on our business, results of operations and financial condition, including through the imposition of different pricing mechanisms for the refining, storage and transportation of natural gas from what have otherwise been agreed or will be agreed in the various contracts governing the refining, storage and transportation of natural gas to which we are a party.

There may be other revisions in regulations or policies governing the natural gas industry on terms which may not be favorable to us or which may result in uncertainties with respect to their implementation. Any unfavorable change in the regulatory environment may adversely affect our business, financial condition and prospects.

40. The CBM industry in West Bengal lacks infrastructure and expertise.

Due to its newness in West Bengal, the CBM industry lacks existing infrastructure and expertise. We will be required to build the infrastructure specific to the CBM industry necessary to carry out our business, including gathering stations, public points of sale and pipelines, which will increase our initial costs, and make it more difficult for us to compete with conventional fuel suppliers, for whom the infrastructure is already in place. Further, expertise in operating CBM projects may not exist in West Bengal or in India, and we will have to rely on foreign third party consultants until expertise and technical skill develops domestically. Time and resources spent developing infrastructure or dealing with third party contractors may interfere with our ability to compete with conventional fuel suppliers. We are the first private sector company to explore for and commercially produce CBM in India. As such, no similar projects have been executed in this business in India. As a result, we may face operational, regulatory or commercial delays which may significantly affect our development plans.

41. Our Promoter and other major shareholders may be able to significantly affect the outcome of shareholder voting and any sale of Equity Shares by them may adversely affect the price of our Equity Shares.

Our Promoter and certain other shareholders hold substantial Equity Shares in our Company. Consequently, such shareholders may be able to, if they act together, control the outcome of any proposal that can be passed with a majority shareholder vote. Further, sales of large blocks of Equity Shares by any or all of them could adversely affect the market price of our Equity Shares. The perception that any such primary or secondary sale may occur also could adversely affect the market price of our Equity Shares.

42. We have entered into, and may continue to enter into, related party transactions with our Promoters and Directors and certain Promoter group entities in the future.

We have entered into, and may in the future enter into, related party transactions with our Promoters, Directors and certain Promoter Group entities. For more information regarding our related party transactions, see the section titled "Financial Statements-Related Party Transactions" on page 127.

43. We may face competition in the future from natural gas-producing companies in West Bengal.

We may face competition in the future from other natural gas-producing companies in West Bengal. The natural gas industry is intensely competitive with respect to acquiring prospects and productive properties, marketing natural gas and securing equipment and trained personnel, and we will compete in the future with other companies that have greater resources. Many of our potential competitors are major and large independent natural gas companies, and they may possess and employ financial, technical and personnel resources greater than ours. These companies may be able to pay more for natural gas properties and evaluate, bid for and purchase a greater number of properties than our financial or human resources currently permit. Our inability to compete effectively with future competition could have an adverse effect on our business and results of operations.

44. Certain of our applications are pending the approval of the relevant authorities.

Currently, the following applications we have filed are pending the approval of the relevant authorities:

S. No.	Approval sought	Authority	Reference No.	Date of application
1.	Registration for the logo "GREAT EASTERN ENERGY CORPORATION LIMITED" in Class 4	Trademark Registry, New Delhi	1392370	October 18, 2005
2.	Registration for the logo "" in Classes 1, 4, 16 and 37	Trademark Registry, New Delhi	01630864	December 13, 2007
3.	Registration for the logo "" in Classes 1, 4, 35, 37 and 16	Trademark Registry, New Delhi	01630865	December 13, 2007
4.	Approval for laying MDPE pipelines for interconnection of 30 CBM wells at well no. 12 under Regulation 61 of the Oil Mines Regulations	Director of Mines Safety, Sitarampur Region – I, Ministry of Labour, GoI	GEECL/DGMS/08 -09/02	July 28, 2008
5.	Permission for laying 12 inch nominal bore natural gas pipeline laying on the corridor of Grand Trunk Road (from Bhagat Singh More to Kulti SAIL Growth)	Superintendent Engineer, Western Circle No. 1, Burdwan	-	April 22, 2008
6.	Application for extension of the Block to include an additional area of 29 Sq km	Directorate General of Hydrocarbons	-	March 5, 2007

If our applications are unsuccessful or delayed, our business and results of operations may be adversely affected.

45. We are effectively prohibited from exporting CBM in our PSC.

The PSC signed by us prohibits us from exporting natural gas from our Block. Under the terms of the PSC, we are only permitted to sell CBM in India. This could restrict our ability to monetize our natural gas reserves.

46. Our production may decrease if the GoI grants another license to mine coal or other minerals on our Block to a third party.

As per the terms of the PSC, the GoI reserves the right to grant the right to prospect for and mine minerals or substances other than CBM within our Block to third parties. If any such right is granted to a third party, it may obstruct or interfere with our CBM operations, and have an adverse affect on our business and results of operations.

47. The objects of this Issue are based on our management estimates and have not been appraised by any bank or other financial institution. Additionally, we have not entered into definitive agreements to use the net proceeds of this Issue.

We intend to use the net proceeds of the Issue as set forth in the section titled "Objects of the Issue" beginning on page 33, although we have not entered into any definitive agreements to utilize the net proceeds of the Issue. We have not placed orders for all machineries and services required as per our objects. We have relied on third party quotations and existing contracts to calculate the expected amount of the net proceeds of the Issue to be spent on drilling wells and laying pipelines and these estimates may be inaccurate or we may require additional funds to implement the objects of the Issue. The purposes for which the net proceeds of the Issue are to be utilized have not been appraised by an independent entity and are based on our estimates, third-party quotations and existing contracts. In the absence of such independent appraisal, the deployment of the net proceeds of the Issue is at our discretion.

48. We are required to complete a minimum work program under the PSC.

We are required to complete a minimum work program under the PSC during each phase of our development. If we do not complete the minimum work program for given a phase, the GoI may seek compensation from us to fund the completion of the portion of the minimum work program outstanding at the end of the allotted time. If we are required to compensate the GoI in this manner, our cash flows and results of operations may be adversely affected.

49. Under the terms of the PSC, the GoI has the option to assume ownership of any assets we purchase for use in our CBM operations upon the expiry or early termination of the PSC.

Under the terms of the PSC, the GoI has the option to assume ownership of any assets we purchase for use in our CBM operations upon the expiry or early termination of the PSC. If the GoI exercises its option to assume ownership of any of our assets related to our CBM operations, it will prevent us from selling any of those assets or employing those assets in any other CBM operations we may conduct.

50. If the GoI terminates the PSC early our results of operation may be affected.

All of our operations currently take place on our Block and are governed by the PSC. If the GoI were to terminate the PSC, our operations on our Block would cease. The GoI may terminate the PSC under certain circumstances constituting breaches of the agreement by us. Such breaches of the PSC include, among other actions, submitting false statements to the GoI, extracting resources other than CBM from the Block without the permission of the GoI, or being declared bankrupt. If the PSC were to be terminated (particularly before such time, if any, as we shall have acquired other gas-producing properties), such termination would materially adversely affect our business, financial condition and results of operations.

51. There are potential conflicts of interest, with and within our Promoter Group entities.

Our Promoter Group companies, Great Eastern Energy Infrastructure Private Limited, Great Eastern CBM Gas Private Limited, Great Eastern Natural Gas Private Limited, Great Eastern Energy Marketing Private Limited, Great Eastern Energy City Gas Private Limited and Great Eastern Energy Gas Private Limited are incorpoated with objects which are similar to that of our Company and as a result they may engage in business activities that will be similar to that undertaken by our Company. For further details, see the section titled "Our Promoters and Promoter Group" on page 96.

52. We lease our corporate office from one of our Promoters and we do not own our registered office.

We lease our corporate office from YKM Holdings Private Limited pursuant to a lease agreement dated April 20, 2006 for a monthly rent of Rs. 0.33 million. We currently pay a monthly rent of Rs. 405,821. For further details, see "Our Promoters and Promoter Group—Interest in the property of our Company" on page 98.

We do not own the premises on which our registered office and other facilities are situated and operate from rented and leased premises. The lease agreements for facilities are renewable at the option of both parties upon payment of such rates as stated in these agreements. If any of the owners of these premises do not renew the agreements under which we occupy the premises or renew such agreements on terms and conditions that are unfavorable to us, we may suffer a disruption in operations which could have an adverse effect on our business, financial condition and results of operations. For further details in this regard, see the section titled "Our Business" on page 63.

External Risk Factors

53. Declines in the price of natural gas internationally and in India may have an adverse effect on our revenues and profit margins.

Natural gas is a commodity whose price is determined based on demand, supply and other factors, all of which are beyond our control. Prices for natural gas have fluctuated widely in recent years. Any decline in prices could result in a reduction of net production revenue and profit margins. Certain wells

or other projects may become uneconomic as a result of a decline in world natural gas prices. We might also elect not to produce from certain wells at lower prices. All of these factors could result in decreases in our future revenue, causing a reduction in our natural gas development activities.

54. Political, economic and social changes in India could adversely affect our business.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by changes in the Government's policies, including taxation. Social, political, economic or other developments in or affecting India, acts of war and acts of terrorism could also adversely affect our business.

Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that such policies will be continued and any significant change in the Government's policies in the future could affect business and economic conditions in India in general and could also affect our business and industry in particular. In addition, any political instability in India or geo political stability affecting India will adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

India has also witnessed civil disturbances in recent years. While these civil disturbances have not directly affected our operations, it is possible that future civil unrest, as well as other adverse social, economic and political events in India, could also adversely affect us.

55. Our growth is dependant on the Indian economy.

Our performance and the growth of our business is dependant on the performance of the Indian economy. India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, adverse conditions affecting agriculture, commodity and electricity prices or various other factors. A slowdown in the Indian economy could adversely affect our business, including our ability to implement our strategy and increase our participation in the oil and gas sector. The Indian economy is currently in a state of transition and it is difficult to predict the impact of certain fundamental economic changes upon our business. Conditions outside India, such as slow downs in the economic growth of other countries or increases in the price of oil, has an effect on the growth of the Indian economy, and government policy may change in response to such conditions. While recent governments have been keen on encouraging private participation in the oil and gas sector, any adverse change in policy could result in a slowdown of the Indian economy. Additionally, these policies will need continued support from stable regulatory regimes that stimulate and encourage the investment of private capital into oil and gas development. Any downturn in the macroeconomic environment in India or in the oil and gas sector could adversely affect the price of our shares, our business and results of operations.

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

While our revenues are currently denominated in Rupees, we import project-related equipment and procure services from abroad, the costs and fees of which are denominated in foreign currencies. Also, the price of CBM we sell is based, in part, on the U.S. dollar prices for natural gas and the current U.S. dollar/Rupee exchange rates at particular times. Accordingly, any depreciation of the Rupee against these currencies will increase the Rupee cost and/or decrease the Rupee revenue to us. If we are unable to recover the costs of foreign exchange variations through our tariffs, depreciation of the Rupee against foreign currencies may adversely impact our results of operations and financial condition.

57. If the rate of inflation in India increases, our results of operations and financial condition may be adversely affected.

In 2008, India's wholesale price inflation index indicated 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 expenses. If this trend continues, we may be unable to reduce our costs or

pass our increased costs on to our consumers and our results of operations and financial condition may be adversely affected.

58. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or 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 harm our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

Risks Related to Our Equity Shares

59. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.

Prior to this Issue, there has been no public market for our Equity Shares in India, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. The Issue Price of the Equity Shares may bear no relationship with the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our operating results, competitive conditions, general economic, social and political factors, volatility in Indian and global securities market or significant developments in India's fiscal regime.

60. You will not be able to sell immediately any of the Equity Shares you subscribe to in this Issue on an Indian stock exchange.

The Equity Shares will be listed on the BSE and NSE. Pursuant to Indian regulations certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat" accounts with Depositary Participants in India are expected to be credited within two Business Days of the date of Allotment. Thereafter, upon receipt of final approval of the Stock Exchanges, trading in the Equity Shares is expected to commence. There can be no assurance that the Equity Shares allocated earlier to investors will be credited to their demat accounts, or that trading will commence, within the time periods specified above.

61. Any future issuance of Equity Shares by us or any conversion of debt to equity by our creditors may dilute your shareholding and adversely affect the trading price of the Equity Shares.

Any future issuance of Equity Shares by us or conversion of debt to equity by our creditors may dilute your shareholding in our Company, adversely affect the trading price of our Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. Additionally the disposal, pledge or encumbrance of Equity Shares by any of our major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that we will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

62. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors.

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors. There can be no assurance that we will distribute dividends in the future.

63. 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 projects under development

or acquisitions and other strategic transactions, and hence could constrain our ability to obtain financing 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 an adverse effect on our business growth, financial condition and results of operations.

64. Our statutory auditors made a qualification in their audit reports for the four years ended March 31, 2004, 2005, 2006 and 2007.

The audit reports issued by our statutory auditors in the four years ended March 31, 2007 were qualified regarding non ascertainment of adjustments which may have been required from settlement of disputes with two of our contractors. We have since settled one matter and made necessary provision in the other matter.

65. Our GDRs are listed on AIM and we are required to comply with AIM listing rules and regulations which might conflict with those of the NSE and the BSE.

Our GDRs are listed on AIM and we are required to comply with AIM listing rules and regulations. These rules and regulations may differ from those of the NSE and the BSE. We will be required to expend additional time and resources to resolve any potential conflicts between the listing requirements of each exchange and if we are unable to resolve conflicts, or do not become aware of potential conflicts, we may be in violation of the listing rules of AIM, the BSE or the NSE.

66. Fluctuation in the price of our GDRs may affect the price of our Equity Shares.

We cannot control fluctuations in the price of our GDRs and such fluctuations may result from a variety of factors. Fluctuation in the price of our GDRs may affect the price of our Equity Shares.

67. An investment in equity shares involves a degree of risk due to the nature of the industry in which we operate.

An investment in equity shares involves a degree of risk due to the nature of the industry in which we operate and our present stage of development. Natural gas exploration involves a high degree of risk and there is no assurance that expenditures made on future exploration by us will result in new discoveries of natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions, such as over pressured zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

Our long-term commercial success depends upon our ability to find, acquire, develop and commercially produce natural gas reserves. No assurance can be given that we will be able to locate additional satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, we may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

Future natural gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient transportation capacity or other geological and mechanical conditions. While close well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

In addition, natural gas operations are subject to the risks of exploration, development and production of natural gas properties, including encountering unexpected formations or pressures, premature

declines of reservoirs, blow-outs, cratering, sour gas releases, fires and spills. Losses resulting from the occurrence of any of these risks could have an adverse effect on future results of operations, liquidity and financial condition.

Notes to Risk Factors

- Public issue of 91,280,501 Equity Shares for cash at a price of Rs. [●] per Equity Share including a share premium of Rs. [●] per Equity Share, aggregating Rs. [●] million, consisting of a fresh issue of 46,280,501 Equity Shares and an offer for sale of 45,000,000 Equity Shares by the Selling Shareholders. The Issue will constitute approximately 15.45% of the fully diluted post-issue paid-up share capital of our Company. We are exploring the possibility of a Pre-IPO Placement. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement, will be reduced from the Issue, subject to a minimum issue size of 10% of the post-Issue share capital.

- In terms of Rule 19(2)(b) of the SCRR, this being an Issue of less than 25% of our post-Issue share capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated to QIBs on a proportionate basis, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIBs including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. For further details, see the section titled "Issue Structure" on page 229.

- Under-subscription, if any, in the Non-Institutional Portion and/or Retail Portion would be allowed to be met with spill-over from other categories at our discretion, in consultation with the BRLMs.

- The average cost of acquisition of Equity Shares by our Promoter, YKM Holdings Private Limited was Rs. 0.60. Our other Promoter, Mr. Yogendra Kumar Modi does not hold any Equity Shares. For details see the section titled "Capital Structure" on page 20.

- Our net worth is Rs. 1,769.84 million as of June 30, 2008 as per our summary restated financial statements. For more information, see the section titled "Financial Statements" on page 111.

- The net asset value per Equity Share was Rs. 3.25 as at June 30, 2008, as per our summary restated financial statements. For more information, see the section titled "Financial Statements" on page 111.

- We have not issued any Equity Shares for consideration other than cash.

- Except as mentioned below, none of the Directors, the Promoters or their directors, or the Promoter Group have purchased or sold any securities of the Company, during a period of six months preceding the date of filing of this Draft Red Herring Prospectus with SEBI. The maximum and minimum price of these transactions was 300 pence and 225 pence, respectively.

Name of the entity	Date of transaction	Nature of transaction	Number of securities	Average price per security
YKM Holdings International Limited	July 1, 2008	Purchase of GDRs	55,000	265 pence
	September 19, 2008	Purchase of GDRs	25,000	300 pence
	September 24, 2008	Purchase of GDRs	25,000	300 pence

	October 7, 2008	Purchase of GDRs	50,000	250 pence
	October 14, 2008	Purchase of GDRs	25,000	225 pence
YKM Holdings Private Limited	July 16, 2008	Transfer of Equity Shares from Bokel Investments Limited pursuant to an order dated February 29, 2008 of the High Court of Punjab and Haryana, Chandigarh in relation to the merger of YKM Investment Limited, Trend-Setter Securities & Credits Private Limited, Bokel Investments Limited and Fame Securities & Credits Private Limited with YKM Holdings Private Limited.	58,115,597	Nil

- For information on changes in our name and registered office, see the section titled "History and Certain Corporate Matters" on page 80.

- Except as disclosed in the sections titled "Our Promoters and Promoter Group", "Our Management" and "Capital Structure" on pages 96, 83 and 20, respectively, none of our Promoters, Directors or Key Managerial Employees have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares or GDRs held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner or trustee and to the extent of the benefits arising out of such shareholding and except to the extent of options granted or as may be granted to them under ESOP 2008.

- Trading in Equity Shares for all investors shall be in dematerialised form only. For further details, see the section titled "Issue Procedure" on page 233.

- For details pertaining to our related party transactions, refer to the notes on related party transactions in the section titled "Fiancial Statements-Related Party Transactions" on page 127.

- Except for an advance rental of Rs. 0.98 million paid to YKM Holding Private Limited as on June 30, 2008, we have not made any loans and advances to any person(s)/ company in which our Directors are interested. For further details, see the section titled "Financial Information-Related Party Transactions" on page 127.

- Investors may note that in case of over-subscription of the Issue, allocation to QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders shall be on a proportionate basis. For more information, see the section titled "Issue Procedure - Basis of Allotment" on page 255.

- Investors are also advised to refer to the section titled "Basis for the Issue Price" on page 40.

- Any clarification or information relating to the Issue shall be made available by the BRLMs and us to the investors at large and no selective or additional information will be available for a section of investors in any manner whatsoever. Investors may contact the BRLMs, the Compliance Officer and the Syndicate Members for any complaints pertaining to the Issue and for any clarification or information relating to the Issue, who will be obliged to provide the same.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

Overview of the Indian Energy Sector

Availability of and access to energy are considered to be catalysts for economic growth. Over half of India's population does not currently have access to electricity or any other form of commercial energy, even though India is both a major energy producer and a consumer. India currently ranks as the world's seventh largest energy producer, accounting for approximately 2.4 percent of the world's total annual energy production. It is also the world's fifth largest energy consumer, accounting for approximately 3.4 percent of the world's total annual energy consumption in 2004.

Natural Gas in India

According to a report from the MoPNG entitled "India Hydrocarbon Vision 2025", the MoPNG estimates gas to supply the following percentages of total overall energy in India:

Year	Coal	Oil	Gas	Other
2006-2007	50.0	32.0	15.0	3.0
2010-2011	53.0	30.0	14.0	3.0
2024-2025	50.0	25.0	20.0	5.0

In 2007, India had 37.26 tcf of proved natural gas reserves. In the same year, India produced 30.2 bcm of natural gas and consumed 40.2 bcm of natural gas. (*Source: www.BP.com)*

CBM in India

India has the third largest proven coal reserves and is the fourth largest coal producer in the world. Prior to 1997, due to the absence of a comprehensive CBM policy including administrative, fiscal and legal aspects, CBM exploration and production activities were limited to research and development only. It was only after the formulation of the CBM Policy for Exploration and Production by the GoI in July 1997 that CBM exploration activity commenced in India. The MoPNG became the administrative ministry and the DGH became the implementing agency for the GoI's CBM policy. (*Source: www.dghindia.com*)

In 1997, the Ministry of Petroleum and Natural Gas ("MoPNG") was made the administrative ministry for CBM, and the DGH was nominated as the nodal agency for promoting its development in the country. (Source: U.S. Department of Energy)

Contractual and Fiscal Terms

Production Sharing Contracts for CBM in India

Companies intending to produce CBM in India must enter into production sharing contracts with the GoI. Some of the notable aspects of these contracts are as follows:

- No upfront payment required.
- No participating interest of the GoI.
- Award of blocks through open international competitive bidding.
- Provision for bidding for more than one block (preferably, in contiguous blocks).
- Royalty at the rate of 10.0 percent payable to the relevant state government on the value of CBM in accordance with the Oilfields (Regulation and Development) Act, 1948 and the Rules framed thereunder.

- Ad-valorem biddable production level payment, payable to the GoI on every incremental production of 0.5 million standard cubic meters per day ("MMSCMD") or part thereof, over a base production level of 1.0 MMSCMD.

- Freedom to market gas in domestic market at market determined prices.

- Fiscal stability provision during the entire period of contract.

- No customs duty on imported equipment required for CBM operations.

- Arbitration provisions to be governed by the Arbitration and Conciliation Act, 1996, which is based on UNCITRAL provisions.

- One-time lump sum commercial bonus of US$ 300,000 by foreign companies or an equivalent amount in Indian Rupees by Indian Companies, after an assessment of commercial potential.

- Corporate income-tax payable as per the Income-tax Act, 1961
(*Source: www.dghindia.org/site/dgh_e_p_reports.aspx*)

SUMMARY OF BUSINESS

Overview

We are a natural gas company based in India focused on the exploration, development, production, distribution and sale of natural gas from coal seams, commonly known as CBM. We produce CBM from our Block in Raniganj, West Bengal, which spans an aggregate area of 210 square kilometers and has an estimated 1.92 tcf of gas-in-place, with low, best and high estimates of contingent gas resources of 373.8, 1,356.5 and 1,778.1 mmcf, respectively and low, best and high estimates of prospective gas resources of 33,330.8, 88,754.4 and 238,972.4 mmcf, respectively, according to a report issued by NSAI on June 1, 2007.

In May 2001, the GoI made seven CBM blocks available through bidding and by nomination. We received our Block by nomination. We entered into a production sharing contract (the "PSC") with the MoPNG in May 2001, received our petroleum exploration licenses (the "PEL") from the West Bengal Government in September 2001 and executed the formal deed for our PEL in November 2001. Collectively, the PEL and the PSC give us the sole right to carry out CBM operations on our Block until 2036. Under the terms of the PSC, we have permission to exploit, develop and produce CBM on our Block for a period of 35 years. The first three years were designated as the pilot assessment phase in which we accessed geological data, drilled core holes and drilled three pilot wells. The next two years consisted of the market survey and commitment phase in which we engaged MECON to prepare a market feasibility report for our Block. Upon completion of the pilot assessment and market survey and commitment phases, and as per the terms of the PSC, we submitted a development plan to the DGH (the "Development Plan").

Our Development Plan includes drilling 100 wells, constructing up to five gas gathering stations and laying an underground MDPE pipeline connecting the wells to the gas gathering stations. Underground steel pipelines will connect our gas gathering stations to our central gas gathering station in Asansol, West Bengal from where we intend to deliver gas through pipelines and truck mounted cascades to industrial and other customers. As of November 30, 2008, we have completed 23 wells, with 13 additional wells in various stages of completion, and have commissioned one gas gathering station. Of the 13 wells in various stages of completion, fracturing is complete at nine wells and pumps have been installed at seven wells. We have laid 29.97 km of the MDPE pipeline which connects 19 wells to the gas gathering station, and 11.34 km of the steel pipeline which will ultimately connect the gas gathering station to the central gathering station in Asansol. We have also laid 11.45 km of the steel pipeline which will connect the central gathering station to Kulti. After completing all of the 100 wells in our Development Plan, and subject to the approval of the DGH, we currently expect to continue drilling an additional 200 wells to fully develop our Block over the next eight years, as well as the construction of additional gas gathering stations and laying additional pipelines.

We are currently in the initial stages of marketing and selling a small amount of our natural gas directly to end users through truck mounted cascades. For the year ended March 31, 2008, we produced 3,595,101 Cm of CBM, and sold 213,693 Cm of CBM. We expect to complete the pipeline from our gas gathering station to our central gathering station in Asansol, West Bengal in December 2008. We plan to extend the pipeline by 57 kms from the central gas gathering station in Asansol to Durgapur and expect to finish by mid-2009, thereby expanding the market for our natural gas.

Our Competitive Strengths

We believe we have significant industry expertise and knowledge. In particular, we believe that the following competitive strengths will enable us to compete successfully in our industry:

Early mover advantage.

We believe the Government of India (the "GoI") supports the development of alternative energy sources and it has introduced policies such as tax incentives and exemption from import duties for CBM-related equipment and services to encourage the development of the CBM industry. During the first round of bidding for CBM blocks in India, we received our Block by nomination and entered into the PSC with the MoPNG in May 2001. We believe we were among the first companies to operate a CBM project in India and have accumulated significant experience in evaluating opportunities and operating CBM projects. Our experience in exploration, development and production enables us to establish realistic objectives in our current and future development

phases. We believe this experience can also help us to reduce the time and costs associated with drilling new wells.

We believe we were the first company to commercially sell CBM in India in August 2007. Our early mover advantage will allow us to be among the first companies to meet the demand for natural gas in West Bengal, and will help us to establish long-term relationships with large customers in the region.

Our Block has large coal deposits with CBM content and we have a license to operate on our Block until 2036.

Based on results from our drilling operations so far, we believe our Block has development potential, based on the coal thickness, permeability and gas content. According to the NSAI report issued on June 1, 2007, our Block has an estimated 1.92 tcf gas in place, with low, best and high estimates of contingent gas resources of 373.8, 1,356.5 and 1,778.1 mmcf, respectively and low, best and high estimates of prospective gas resources of 33,330.8, 88,754.4 and 238,972.4 mmcf, respectively. Further, we have a license to carry out CBM operations on our Block until 2036. We have a royalty rate of 10 percent of the ad valorem sale value at the well head and a production level payment fee of 2.5 percent of the sale value of CBM produced in the relevant month.

Located near large markets for fuel.

Currently, demand for fuel in West Bengal is high. A large market for fuel exists within a radius of approximately 60 km of our Block, with several large industrial customers located nearby. This should allow us to distribute our natural gas over short distances to reach customers quickly, reducing delivery costs. Further, Kolkata, the fourth largest city in India, is approximately 200 km south of our Block, and should provide a large market for CBM if we ultimately choose to exploit it.

Vertically-integrated gas supplier.

Upon the completion of our pipeline to Asansol, we believe we will be a fully vertically-integrated CBM company capable of exploring for, producing, distributing and selling natural gas to end users through an integrated network consisting of drilling, production, compression, transportation and logistics services. We have upstream exploration and production operations, midstream distribution operations, including gathering and compressing stations, truck-mounted cascades and a pipeline which will connect our Block to our customers and downstream sales and marketing operations. Our integrated operations provide both economic efficiencies and comprehensive control over all aspects of our business.

Experienced management and consultant team with international exposure.

We believe that the effective operation of our Company depends, to a significant extent, upon the experience and continued efforts of our key management personnel. In particular, we rely on the expertise and experience of our Chairman and Managing Director, Mr. Yogendra Kr. Modi, and our President and Chief Operating Officer, Mr. Prashant Modi, who have broad experience in managing public and private companies. Further, a number of other members of our management team have broad experience in the oil and gas industry, which enables us to effectively operate our business. In addition, the international consultants we hire to manage our drilling and production operations have vast experience in the industry, adding to our base of knowledge and skill.

We own our drilling rig.

Currently, drilling rigs are in high demand and short supply in India. We own our drilling rig, which gives us control over the availability and deployment of the drilling rig. We can schedule drilling operations as needed, without having to pay the high cost of daily rental fees for drilling rigs. Furthermore, we set our own drilling timetables without having to consider the availability or price of leasing rigs from third parties. We also own our workover rig, which provides flexibility in our well maintenance operations.

Our Strategies

We intend to pursue the following principal strategies to become a leading vertically-integrated gas supplier:

Fully develop our Block.

Our PSC permits us to operate on our Block until 2036. We intend to fully develop our Block during this period. To maximize the amount of gas available for sale in the market, we are increasing production of CBM and expanding our logistics operations to deliver our natural gas by truck mounted cascades to selected destinations for consumption as fuel or, in the case of major industrial customers, through pipelines constructed and owned by us. We will continue to build underground MDPE pipelines within our Block connecting our wells to gas gathering stations. From there, underground steel pipelines are being laid to our central gathering station in Asansol to distribute our natural gas throughout the region surrounding our Block. We plan to extend our pipeline beyond the central gathering station in Asansol to Durgapur, Kulti and Barakar, to reach additional customers for our natural gas. We further intend to develop CNG stations along the 200 kms of National Highway 2 radiating outward from our Block. These stations will initially be supplied by truck mounted cascades, and ultimately we intend to connect these stations to our pipelines.

Increase our license area in India through acquisitions and bidding.

We intend to increase our license area in India by acquiring existing CBM properties, licenses and assets, and by competitively bidding for new projects. We will use our experience gained operating our existing wells to expand our operations, and to increase the efficiency of our future CBM operations.

Pursue opportunities outside India.

We intend to pursue opportunities to develop CBM projects outside of India. We will look for new blocks to develop and existing companies to acquire. We believe our expertise and knowledge gained through our operations on our Block will allow us to identify new opportunities for development.

Become an integrated oil and gas company.

While focusing on expanding our CBM operations in India and abroad, we also intend to expand into other related low risk gas and oilfield opportunities. To that end, we intend to participate in future NELP rounds and to bid for or acquire onshore resources and operations close to existing markets and infrastructure.

SUMMARY FINANCIAL INFORMATION

SUMMARY RESTATED PROFIT & LOSS ACCOUNT

(Rs. in Million)

	For the quarter Ended June 30, 2008	For the financial year ended				
		March 31,2008	March 31,2007	March 31,2006	March 31,2005	March 31,2004
I. Income						
Sales	8.48	4.94	-	-	-	-
Other Income	1.71	16.90	59.15	49.41	0.09	0.20
Total Income	**10.19**	**21.84**	**59.15**	**49.41**	**0.09**	**0.20**
II. Expenditure:						
Manufacturing and Other Expenses	46.39	117.42	72.34	48.31	0.46	1.57
Provision for Site Restoration	0.21	0.50	2.00	-	-	-
Deferred Revenue Expenditure	-	-	-	79.13	-	-
Depreciation/Amortization	7.18	11.65	3.86	1.71	0.15	0.11
Prior Period Adjustment	-	-	(0.52)	-	-	-
Total Expenditure	**53.78**	**129.57**	**77.68**	**129.15**	**0.61**	**1.68**
III. Profit/ (Loss) Before Tax	**(43.59)**	**(107.73)**	**(18.53)**	**(79.74)**	**(0.52)**	**(1.48)**
Tax Expense						
Current Tax	-	-	-	-	-	-
Prior Period Tax	-	0.03	-	-	-	0.28
Fringe Benefit Tax	0.75	2.83	1.94	2.41	-	-
IV Profit/ (Loss) After Taxation as per audited statement of accounts - (A)	**(44.34)**	**(110.59)**	**(20.47)**	**(82.15)**	**(0.52)**	**(1.76)**
Adjustments on account of:						
Change in accounting policy (Refer Note No 2.1.1 and 2.1.2)	**-**		0.09	79.13	(15.14)	(13.03)
Audit Qualification (Refer Note No 2.1.3)		2.16				
Material adjustments and prior period items (Refer Note No 2.1.4)	**-**	0.03	(0.52)	0.38	0.11	0.28
Total Adjustments	**-**	**2.19**	**(0.43)**	**79.51**	**(15.03)**	**(12.75)**
Tax Impact on adjustments (Refer Note No 2.1.5))	**-**	**-**	**-**	**-**	**-**	**-**
Total adjustments net of tax impact - (B)	**-**	**2.19**	**(0.43)**	**79.51**	**(15.03)**	**(12.75)**
V. Net Profit/(Loss) as restated (A+B)	**(44.34)**	**(108.40)**	**(20.90)**	**(2.64)**	**(15.55)**	**(14.51)**
Profit and loss account at the beginning of the year/period	**(217.03)**	**(108.63)**	**(87.73)**	**(85.09)**	**(69.54)**	**(55.03)**
Profit/(Loss) available for appropriation	**(261.37)**	**(217.03)**	**(108.63)**	**(87.73)**	**(85.09)**	**(69.54)**
Appropriation	**-**	**-**	**-**	**-**	**-**	**-**
Balance Carried Forward	**(261.37)**	**(217.03)**	**(108.63)**	**(87.73)**	**(85.09)**	**(69.54)**

Note: The accompanying significant accounting policies and notes are an integral part of this statement.

SUMMARY OF RESTATED ASSETS AND LIABILITIES

(Rs. in Million)

		As at					
		June 30 2008	**March 31 2008**	**March 31 2007**	**March 31 2006**	**March 31 2005**	**March 31 2004**
A	**FIXED ASSETS**						
	Gross Block	1046.94	706.16	69.35	52.20	6.96	6.19
	Less: Accumulated Depreciation	47.03	35.27	14.40	6.30	2.75	2.25
	Net Block	**999.91**	**670.89**	**54.95**	**45.90**	**4.21**	**3.94**
	Capital Work In Progress	1622.78	1708.54	1341.87	679.03	398.80	315.30
	Total	**2622.69**	**2379.43**	**1396.82**	**724.93**	**403.01**	**319.24**
B	**INVESTMENTS**	**-**	**-**	**-**	**-**	**-**	**1.12**
C	**CURRENT ASSETS, LOANS& ADVANCES**						
	Inventories	76.46	82.58	49.98	16.81	2.81	10.00
	Sundry Debtors	1.28	0.96	-	-	-	1.00
	Cash and Bank Balances	64.46	120.86	478.55	1261.71	0.08	1.45
	Other Current Assets	3.22	2.74	5.04	4.89	1.51	1.54
	Loans and Advances	143.36	112.34	93.34	32.57	1.69	0.99
	Total	**288.78**	**319.48**	**626.91**	**1315.98**	**6.09**	**14.98**
D	**LIABILITIES AND PROVISIONS**						
	Secured Loans	969.81	751.91	-	-	-	-
	Unsecured Loans	-	-	-	-	5.38	-
	Current Liabilities and Provisions	171.82	132.82	101.15	97.43	30.77	41.19
	Total	**1141.63**	**884.73**	**101.15**	**97.43**	**36.15**	**41.19**
E	Miscellaneous Expenditure (to the extent not written off)	**-**	**-**	**-**	**-**	**-**	**-**
F	**NET WORTH (A + B + C - D – E)**	**1769.84**	**1814.18**	**1922.58**	**1943.48**	**372.95**	**294.15**
	Represented by						
	1. Share Capital	544.62	544.62	544.62	544.62	358.43	306.00
	2. Advance against Share Capital	-	-	-	-	55.32	13.40
	3. Reserves & Surplus	1225.22	1269.56	1377.96	1398.86	(40.80)	(25.25)
G	**NET WORTH (1+2+3)**	**1769.84**	**1814.18**	**1922.58**	**1943.48**	**372.95**	**294.15**

Note: The accompanying significant accounting policies and notes are an integral part of this statement.

CASH FLOW STATEMENT AS PER RESTATED FINANCIAL STATEMENTS

(Rs. in Million)

		For the quarter Ended June 30, 2008	For the financial year ended				
			March 31,2008	March 31,2007	March 31,2006	March 31,2005	March 31,2004
A.	**Cash flow from Operating Activities**						
	Net Profit / (Loss) before tax	**(43.59)**	**(105.57)**	**(18.96)**	**(0.23)**	**(15.52)**	**(14.51)**
	Adjustments for :						
	Depreciation/Amortization	7.18	11.65	3.86	1.71	0.15	0.11
	Interest (Income)/Expense(net)	0.03	(15.08)	(59.05)	(40.62)	(0.48)	-
	(Profit)/Loss on sale of Assets(net)	-	4.50	-	0.01	(0.01)	(0.20)
	Damaged Stock written off	-	0.54	1.01	0.17		
	Liability written back	-	(1.52)	-	-	-	-
	Deferred Revenue & Miscellaneous Expenditure Written off	**-**	**-**	**-**	**-**	14.34	13.08
	Provision for Site Restoration Cost	0.21	0.50	2.00	**-**	**-**	**-**
	Unrealized foreign exchange Loss/ (Gain)	1.10	(0.31)	(0.08)	(0.05)	0.06	-
	Operating profit before working capital changes	**(35.07)**	**(105.29)**	**(71.22)**	**(39.01)**	**(1.46)**	**(1.52)**
	Adjustments for:						
	(Increase) / decrease in Trade and Other Receivables	(32.09)	(17.41)	(60.79)	(19.98)	0.31	(10.26)
	(Increase) / decrease in Inventories	6.12	(37.67)	(34.17)	(14.17)	7.19	3.33
	Increase / (decrease) in Trade Payables	37.68	32.90	1.85	69.46	(10.48)	23.59
	Fringe Benefit Tax Paid	(0.48)	(2.94)	(2.08)	(1.71)	-	-
	Direct Taxes Paid	-	(0.03)	-	(4.60)	-	(0.28)
	Net cash from Operating Activities (A)	**(23.84)**	**(130.44)**	**(166.41)**	**(10.01)**	**(4.44)**	**14.86**
B	**Cash flow from Investing Activities**						
	Purchase of Fixed Assets	(41.35)	(187.47)	(17.15)	(45.27)	(0.77)	(0.98)
	Sale of Fixed Assets	-	0.98	-	-	-	-
	Increase in Capital Work in Progress	(183.72)	(710.75)	(658.60)	(291.56)	(96.58)	(119.82)
	Interest Received	0.89	16.05	59.05	40.62	0.04	0.11
	(Purchase)/Sale of Investment (net)	-	-	-	-	1.13	16.09
	Net cash used in Investing Activities (B)	**(224.18)**	**(881.19)**	**(616.70)**	**(296.21)**	**(96.18)**	**(104.60)**
C.	**Cash flow from Financing Activities**						
	Proceeds from Share issue	-	-	-	1573.18	52.44	72.68
	Advance received against share issue	-	-	-	-	41.91	13.41
	Borrowings	214.71	1002.96	-	-	10.00	-
	Repayment of Borrowings	-	(257.00)	-	(4.90)	(5.10)	-
	Borrowing Cost (Including Interest)	(23.09)	(92.02)	-	(0.48)	-	-
	Net Cash used from Financing Activities (C)	**191.62**	**653.94**	**-**	**1567.80**	**99.25**	**86.09**
	Net changes in cash and cash equivalents (A+B+C)	**(56.40)**	**(357.69)**	**(783.11)**	**1261.58**	**(1.37)**	**(3.65)**
	Cash and cash equivalents at beginning of year	120.86	478.55	1261.66	0.08	1.45	5.10

	Cash and cash equivalents at the end of the year/period	64.46	120.86	478.55	1261.66 (Refer Note 3)	0.08	1.45

Notes:

1. Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 “Cash Flow Statement” issued by the Institute of Chartered Accountants of India.

2. Cash and cash equivalents represent cash and bank balances only.

3. Net of unrealised foreign exchange fluctuation of Rs 0.05 million.

THE ISSUE

Public Issue	91,280,501 Equity Shares*
Of which:	
Fresh Issue	46,280,501 Equity Shares
Offer for Sale**	45,000,000 Equity Shares
Of which:	
QIB Portion[(1)]	At least 54,768,301 Equity Shares
Of which:	
Mutual Fund Portion	2,738,415 Equity Shares
Balance for all QIBs including Mutual Funds	52,029,886 Equity Shares
Non-Institutional Portion[(2)]	Not less than 9,128,050 Equity Shares
Retail Portion[(2)]	Not less than 27,384,150 Equity Shares
Equity Shares outstanding prior to the Issue	544,619,499 Equity Shares
Equity Shares outstanding after the Issue	590,900,000 Equity Shares
Use of Issue proceeds	See the section titled "Objects of the Issue" on page 33. Our Company will not receive any proceeds of the Offer for Sale.

* Our Company is exploring the possibility of a Pre-IPO Placement. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement, will be reduced from the Issue subject to a minimum Issue size of 10% of the post-Issue share capital.

** The Selling Shareholders are together offering 45,000,000 Equity Shares in the Issue, in the following manner:

Selling Shareholder	Number of Equity Shares
YKM Holdings Private Limited	7,103,174
YKM Holdings International Limited	37,000,000^
Mr. Sanjit Bakshi	896,826

^YKM Holdings International Limited holds beneficial interest in 37,000,000 Equity Shares through 7,400,000 GDRs held by it.

(1) Allocation to QIBs is proportionate as per the terms of this Draft Red Herring Prospectus. 5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. Under-subscription below 5% of the Mutual Fund Portion would be included for allocation to the remaining QIB Bidders on a proportionate basis.Further, attention of all QIBs is specifically drawn to the following: (a) QIBs will not be allowed to withdraw their Bid cum Application Forms after the Bid/Issue Closing Date; and (b) each QIB, is required to deposit a Margin Amount of at least 10% with its Bid cum Application Form. If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith.

(2) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories at the discretion of our Company, in consultation with the BRLMs.

GENERAL INFORMATION

Our Company was incorporated as "Modi Mckenzie Methane Limited" on May 29, 1992 under the Companies Act. Our Company received the certificate for commencement of business on January 8, 1993 from the RoC Delhi. A shareholders' agreement dated July 19, 1993 was entered into among Mr. Yogendra Kumar Modi and Mckenzie India Energy Corporation B.V. with respect to exploration, exploitation, production of methane gas and associated energy sources in India and conversion and marketing thereof to be carried out through our Company. The said shareholders' agreement was subsequently terminated with effect from August 19, 1998 upon Mckenzie India Energy Corporation B.V. transferring its entire shareholding in our Company to Ogden Energy India (CBM) Limited. The name of our Company was changed to "Great Eastern Energy Corporation Limited", pursuant to a special resolution of the shareholders of our Company at an EGM held on January 21, 1996. The fresh certificate of incorporation consequent upon the change of name was granted on February 2, 1996 by the RoC Delhi. Further, pursuant to a special resolution of the shareholders of our Company at an EGM on April 10, 1998, our Company was converted to a private company under Section 31(1) of the Companies Act. The fresh certificate of incorporation consequent to change of name was issued on June 16, 1998 by the RoC Delhi. However, since more than 25% of the then paid-up share capital of our Company was held by a public company, namely Bokel Investments Limited, our Company was considered a deemed public company and the status of our Company was converted into a public company by way of an amendment in the certificate of incorporation granted to our Company on June 16, 1998.

Registered Office

G.T. Road
Fatehpur, P.O. Sitarampur
Asansol 713 359
West Bengal, India.
Telephone: +91 341 225 3048
Facsimile: +91 341 225 1638

For details regarding changes in our registered office, see the section titled "History and Certain Corporate Matters" on page 80.

Corporate Office

Signature Towers-A, 14th Floor
South City, NH-8
Gurgaon 122 001
Haryana, India.
Telephone: +91 124 455 9900
Facsimile: +91 124 258 0467

Website: www.geecl.com

Corporate Identity Number: U48985WB1992PLC095301

Registration Number: 21-95301

Address of the Registrar of Companies

Registrar of Companies
Nizam Palace
2nd MSO Building
2nd Floor, 234/4, A.J.C.B. Road
Kolkata 700020
West Bengal, India.
Telephone: +91 33 2280 0409
Facsimile: + 91 33 2290 3795

Board of Directors

Name, Father's Name, Designation, Occupation, Nationality and DIN	Age	Residential Address
Mr. Yogendra Kumar Modi S/o Late Dr. K. N. Modi Chairman and Managing Director Executive Director Occupation: Industrialist Nationality: Indian DIN: 00016666	60 years	33, Shivji Marg, Rangpuri, New Delhi 110 037, India.
Mr. Paul Sebastian Zuckerman S/o Late Rt. Hon Lord Zuckerman Non-Executive Director Independent Director Occupation: Businessman Nationality: British DIN: 00112255	63 years	105, Grosvenor Road, London SW1V 3LG, United Kingdom.
Mr. Pejavar Murari S/o Late Mr. P. Mohan Rau Non-Executive Director Independent Director Occupation: Retired Professional Nationality: Indian DIN: 00020437	74 years	No. 2, Gilchrist Avenue, Off. Harrington Road, Chetpet, Chennai 600 031, India.
Mr. Kashi Nath Memani S/o Late Mr. B.D. Memani Non-Executive Director Independent Director Occupation: Financial Consultant Nationality: Indian DIN: 00020696	69 years	177-C, Lane W-7, Western Avenue, Sainik Farms, New Delhi 110 062, India.
Mr. Haigreve Khaitan S/o Mr. Pradeep Kumar Khaitan Non-Executive Director Occupation: Professional Nationality: Indian DIN: 00005290	38 years	1104, Sterling Seaface, Dr. Annnie Besant Road, Worli, Mumbai 400 018, Maharashtra, India.

For further details regarding our Board of Directors, see the section titled "Our Management" on page 83.

Company Secretary and Compliance Officer

Mr. Parveen Arora
Great Eastern Energy Corporation Limited
Signature Towers-A, 14th Floor
South City, NH-8
Gurgaon 122 001
Haryana, India.
Telephone: +91 124 455 9900
Facsimile: +91 124 258 0467
E-mail: investors@geecl.com

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

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

Book Running Lead Managers

Enam Securities Private Limited
SEBI Reg. No: INM000006856
801/802, Dalamal Towers
Nariman Point
Mumbai 400 021
Maharashtra, India.
Telephone: +91 22 6638 1800
Facsimile: +91 22 2284 6824
E-mail: geecl.ipo@enam.com
Investor Grievance E-mail:
complaints@enam.com
Website: www.enam.com
Contact Person: Ms. Kinjal Palan

ABN AMRO Asia Equities (India) Limited
SEBI Reg. No: INM000010551*
83/84, Sakhar Bhavan,
Behind Oberoi Towers,
Nariman Point,
Mumbai 400 021
Maharashtra, India.
Telephone: +91 22 6632 5535
Facsimile: +91 22 6632 5541
E-mail: geecl.ipo@in.abnamro.com
Investor Grievance E-mail:
customercare.ecm@in.abnamro.com
Website: www.abnamro.co.in
Contact Person: Mr. Girichandra Kuchangi

SBI Capital Markets Limited
SEBI Reg. No: INM000003531
202, Maker Tower 'E'
Cuffe Parade
Mumbai 400 005
Maharashtra, India.
Telephone: +91 22 2217 8300
Facsimile: +91 22 2218 8332
E-mail: geecl.ipo@sbicaps.com
Investor Grievance E-mail:
investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Mr. Abhishek Gupta

** The SEBI registration of ABN AMRO was valid up to December 5, 2008. The application dated September 4, 2008 for renewal of the certificate of registration in the prescribed manner has been made by ABN AMRO on September 5, 2008 to SEBI, as required under SEBI (Merchant Bankers) Regulations, 1992. The approval of SEBI in this regard is awaited.*

Syndicate Members

[●]

Self Certified Syndicate Banks

The list of banks who have been notified by SEBI to act as SCSBs are provided at http://www.sebi.gov.in/pmd/scsb.pdf.

Legal Counsels

Domestic Legal Counsel to the Company

Khaitan & Co., Advocates
Meher Chambers
4th and 5th Floors, K.K. Marg
Ballard Estate
Mumbai 400 00, India.
Telephone: + 91 22 6636 5000
Facsimile: +91 22 6636 5050

Domestic Legal Counsel to the Underwriters

Luthra & Luthra Law Offices
103, Ashoka Estate
24, Barakhamba Road
New Delhi 110 001, India.
Telephone: +91 11 4121 5100
Facsimile: +91 11 2372 3909

International Legal Counsel to the Issue

Jones Day
29th Floor, Edinburgh Towers
The Landmark
15 Queen's Road Central
Hong Kong.
Telephone**:** +852 2526 6895
Facsimile**:** +852 2868 5871

Registrar to the Issue
Karvy Computershare Private Limited
SEBI Reg. No: INR000000221
Plot no. 17-24, Vithalrao Nagar
Madhapur, Hyderabad 500 081
Andhra Pradesh, India.
Telephone: +91 40 2342 0818
Facsimile: +91 40 2343 1551
E-mail: einward.ris@karvy.com
Investor Grievance E-mail: geecl.ipo@karvy.com
Website: www.karvy.com
Contact Person: Mr. M. Murali Krishna

Bankers to the Issue/Escrow Collection Banks

[●]

Auditors

Price Waterhouse, Chartered Accountants
Plot No. Y-14, Block-EP, Sector-V
Salt lake Electronic Complex
Bidhan Nagar, Kolkata 700 091
West Bengal, India.
Telephone: +91 33 2357 9260
Facsimile: +91 33 2357 7496
E-mail: prabal.sarkar@in.pwc.com
Contact Person: Mr. Prabal Kumar Sarkar

Expert

Netherland, Sewell & Associates, Inc.
1221 Lamar, Suite 1200,
Houston, Texas 77010,
United State of America.
Telephone: +1 713 654 4950
Facsimile: +1 713 654 4951
E-mail: dsimmons@nsai-petro.com

Bankers to our Company

State Bank of India* Reliance House, 2nd Floor 34, Jawaharlal Nehru Road Kolkata 700 071, India. Telephone: +91 33 2288 8090 Facsimile: +91 33 2283 7037 E-mail: sbi.09998@sbi.co.in	**State Bank of Indore** Bombay Mutual Building 9, Brabourne Road Kolkata 700 071, India. Telephone: +91 33 2242 8418 Facsimile: +91 33 2242 1683 E-mail: satyajitdeb2007@gmail.com
State Bank of Travancore 36, Chowringhee Road Kolkata 700 071, India. Telephone: +91 33 2288 5585 Facsimile: +91 33 2288 7564 E-mail: calcutta@sbt.co.in	**Canara Bank** 2, Brabourne Road Kolkata 700 001, India. Telephone: + 91 33 2225 4725 Facsimile: + 91 33 2225 0332 E-mail: agmkolk0344@canbank.co.in
State Bank of Patiala Commercial Branch Chanderlok Building 36 Janpath New Delhi 110 001, India. Telephone: +91 11 2373 8097 Facsimile: +91 11 2335 4365 E-mail: sbpcbnd@yahoo.co.in	**State Bank of Mysore** 1 & 2, Old Court House Corner Tobacco House Kolkata 700 001, India. Telephone: +91 33 2242 0742 Facsimile: +91 33 2231 1337 E-mail: bentinckstreet@sbm.co.in
Union Bank of India IFB, Sayajiganj Baroda 390 005 Gujarat, India. Telephone: + 91 265 222 5348 Facsimile: + 91 265 236 1516 E-mail: ifbbaroda@unionbankofindia.com	

*****_State Bank of Saurashtra, one of the lenders of our Company, merged with State Bank of India on August 13, 2008._

Statement of Responsibility of the Book Running Lead Managers

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

	Activities	Responsibility	Co-ordinator
(i)	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.	All	Enam
(ii)	Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting and design of the offer document and of statutory advertisement including memorandum containing salient features of the offer document. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of the Prospectus and RoC filing of the same.	All	Enam
(iii)	Drafting and approval of all publicity material, other than statutory advertisement as mentioned in (ii) above but including corporate advertisement, brochure, corporate films, FAQs in relation to the issue, etc.	All	ABN AMRO
(iv)	Appointment of intermediaries viz. Lawyers, Registrar,	All	ABN AMRO

	Activities	Responsibility	Co-ordinator
	Grading Agency Advertising Agency and Bankers to the Issue.		
(v)	Appointment of printers.	All	Enam
(vi)	Institutional marketing of the Issue, which will cover, inter alia: • Preparing road show presentation; • Finalising the list and division of investors for one to one meetings; and • Finalising and coordinating domestic and international road show schedule and investor meeting schedules.	All	ABN AMRO
(vii)	Non-Institutional and Retail Marketing of the Issue, which will cover, inter alia: • Formulating marketing strategies, preparation of publicity budget; • Finalising media and PR strategy; • Finalising centres for holding conferences for brokers etc.; • Finalising collection centres; • Follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material; and • Co-ordination with Stock Exchanges for Book Building Software, bidding terminals and mock trading.	All	Enam
(viii)	Finalisation of pricing in consultation with the Company.	All	SBI Caps
(ix)	The post-bidding activities including management of escrow accounts, follow-up with bankers to the issue, co-coordination non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc. The post-Issue activities will involve essential follow up steps, which include the finalisation of listing of instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as the Registrar to the Issue, Bankers to the Issue, Self Certified Syndicate Banks and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company.	All	SBI Caps

Credit Rating

As the Issue consists of the issue of equity shares, a credit rating is not required.

IPO Grading
[●]

This Issue has been graded by [●] and has been assigned the "IPO Grade [●]/5"indicating [●] fundamentals, through its letter dated [●]. The IPO grading is assigned on a five point scale from 1 to 5 with an "IPO Grade 5" indicating strong fundamentals and an "IPO Grade 1" indicating poor fundamentals. The rationale furnished by the grading agency for its grading will be updated at the time of filing of the Red Herring Prospectus with the RoC/ Designated Stock Exchange. A copy of the report provided by [●], furnishing the rationale for its grading is available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on Business Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Monitoring Agency

In the event the size of the Fresh Issue exceeds Rs. 5,000 million our Company will appoint a monitoring agency in compliance with clause 8.17 of the SEBI Guidelines.

Trustees

As the Issue consists of the issue of equity shares, the appointment of trustees is not required.

Project Appraisal

None of the objects of the Issue have been appraised.

Book Building Process

Book building refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, Bid cum Application Forms and ASBA Forms. The Issue Price is determined by our Company, in consultation with the BRLMs, after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

(1) our Company;
(2) the Selling Shareholders;
(3) the BRLMs;
(4) Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as underwriters. Syndicate Members are appointed by the BRLMs;
(5) Registrar to the Issue;
(6) Escrow Collection Banks; and
(7) SCSBs.

The Equity Shares are being offered to the public through the 100% Book Building Process in accordance with Rule 19(2)(b) of the SCRR and the SEBI Guidelines, wherein at least 60% of the Issue shall be Allotted on a proportionate basis to QIBs, of which 5% shall be reserved for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Under the SEBI Guidelines, QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date. In addition, QIBs are required to pay the QIB Margin Amount, representing at least 10% of the Bid Amount, upon submission of their Bids and allocation to QIBs will be on a proportionate basis. For details, see the section titled "Issue Procedure" on page 233.

Our Company and the Selling Shareholders will comply with the guidelines issued by SEBI in connection with the Issue. In this regard, our Company has appointed Enam, ABN AMRO and SBI Caps as the Book Running Lead Managers to manage the Issue and to procure subscriptions to the Issue.

The Book Building Process is subject to change from time to time. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid in the Issue.

Steps to be taken by the Bidders for bidding:

- Check eligibility for making a Bid. See the section titled "Issue Procedure" on page 233. If you intend to submit a Bid through ASBA see the section titled "Issue Procedure for ASBA Bidders" beginning on page 260;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Form, as the case may be;
- Ensure that the Bid cum Application Form or ASBA Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms; and
- Ensure that you have mentioned your PAN in the Bid cum Application Form or ASBA Form (see the section titled "Issue Procedure" on page 233).

- Ensure the correctness of your Demographic Details (as defined in the section titled "Issue Procedure – Bidder's Depository Account and Bank Account Details" on page 246), given in the Bid cum Application Form or ASBA Form, with the details recorded with your Depository Participant.
- Bids by ASBA Bidders will only have to be submitted to the SCSBs at the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their ASBA is not rejected.
- Bids by QIBs will only have to be submitted to members of the Syndicate.

Illustration of Book Building Process and the Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to the Issue)

Bidders (excluding the ASBA Bidders who can only Bid at Cut-off Price) can bid at any price within the price band. For instance, assuming a price band of Rs. 20 to Rs. 24 per share, an issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below, the illustrative book would be as given below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below indicates the demand for the shares of the company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative equity shares Bid for	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 book running lead managers, will finalise the issue price at or below such cut-off, 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.

Withdrawal of the Issue

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Issue, including at any time after the Bid/Issue Opening Date but before the Allotment, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Bid/Issue Program

BID/ISSUE OPENING DATE	**[●], 2009**
BID/ISSUE CLOSING DATE	**[●], 2009**

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding/Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time)** and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000 which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Stock Exchanges within half an hour of such closure. Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be

considered for allocation under the Issue. Bids will only be accepted on Business Days. ASBA Bidders cannot revise their Bids.

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

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

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding/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 up to a maximum of 20% of the Floor Price disclosed in the Red Herring Prospectus.

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional Business Days after such revision, subject to the Bidding/Issue Period not exceeding 10 Business Days. Any revision in the Price Band, and the revised Bidding/Issue Period, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and the terminals of the members of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and sold in the Issue. Pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the relevant members of the Syndicate do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters shall be several and subject to certain conditions to closing, as would be specified therein.

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

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

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. Million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The above-mentioned amount is an indicative underwriting and will be finalised after determination of the Issue Price and actual allocation of the Equity Shares. The Underwriting Agreement is dated [●].

Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments. Notwithstanding the above table, the BRLMs and the Syndicate Members shall be responsible for ensuring payment with respect to the 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 for Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The BRLMs shall be responsible for bringing in amounts devolved in the event that the other members of the Syndicate do not fulfill their underwriting obligations.

In the opinion of the 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. All the above-mentioned Underwriters are registered with SEBI under section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

CAPITAL STRUCTURE

The share capital of our Company as of the date of this Draft Red Herring Prospectus, before and after the proposed Issue is set forth below:

		Aggregate Nominal Value (Rs.)	Aggregate Value at Issue Price (Rs.)
A)	**AUTHORISED SHARE CAPITAL[(a)]**		
	650,000,000 Equity Shares	650,000,000	[•]
B)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL[(b)]**		
	544,619,499 Equity Shares	544,619,499	[•]
C)	**PRESENT ISSUE IN TERMS OF THE DRAFT RED HERRING PROSPECTUS[(c)]**		
	91,280,501 Equity Shares*	91,280,501	[•]
	Of which		
	45,000,000 Equity Shares are offered by way of Offer for Sale**	45,000,000	[•]
D)	**PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	590,900,000 Equity Shares	590,900,000	[•]
E)	**SHARE PREMIUM ACCOUNT**		
	Before the Issue	1,486,594,797	
	After the Issue	[•]	

a)

Date	Nature of Amendment
June 29, 1993	Increased the initial authorized share capital of the Company from Rs. 1,000,000 divided into 100,000 equity shares of Rs. 10 each to Rs. 50,000,000 divided into 5,000,000 equity shares of Rs. 10 each.
September 23, 1996	Increased the authorized share capital from Rs. 50,000,000 divided into 5,000,000 equity shares of Rs. 10 each to Rs. 75,000,000 divided into 7,500,000 equity shares of Rs. 10 each.
April 28, 1998	Increased the authorized share capital from Rs. 75,000,000 divided into 7,500,000 equity shares of Rs. 10 each to Rs. 120,000,000 divided into 12,000,000 equity shares of Rs. 10 each.
August 17, 2001	Increased the authorized share capital from Rs. 120,000,000 divided into 12,000,000 equity shares of Rs. 10 each to Rs. 250,000,000 divided into 25,000,000 equity shares of Rs. 10 each.
July 31, 2003	Increased the authorized share capital from Rs. 250,000,000 divided into 25,000,000 equity shares of Rs. 10 each to Rs. 350,000,000 divided into 35,000,000 equity shares of Rs. 10 each.
September 30, 2004	The face value of equity shares of our Company was changed from Rs. 10 per equity share to Re. 1 per equity share.
	Increased the authorized share capital from Rs. 350,000,000 divided into 350,000,000 Equity Shares to Rs. 500,000,000 divided into 500,000,000 Equity Shares.
March 12, 2005	Increased the authorized share capital from Rs. 500,000,000 divided into 500,000,000 Equity Shares to Rs. 550,000,000 divided into 550,000,000 Equity Shares.
July 15, 2006	Increased the authorized share capital from Rs. 550,000,000 divided into 550,000,000 Equity Shares to Rs. 650,000,000 divided into 650,000,000 Equity Shares.

(b) The issued share capital of our Company includes 381,111,735 Equity Shares underlying the two GDR issuances made by our Company. The details of both the GDR issues made by our Company are as below:

GDR Issue I: On December 13, 2005, our Company made a placement of 18,803,504 GDRs representing 94,017,520 Equity Shares on the Alternative Investment Market of the London Stock Exchange, London at a price of 101.00 pence per GDR. Each GDR represents five Equity Shares. The placement comprised of a fresh issue of 12,000,000 GDRs representing 60,000,000 Equity Shares and 6,803,504 GDRs representing 34,017,520 Equity Shares were offered for sale by certain existing shareholders of our Company.

GDR Issue II: On September 14, 2006, our Company made a sponsored issue of 57,418,843 GDRs representing 287,094,215 Equity Shares (each GDR representing five Equity Shares) on the Alternative Investment Market of the London Stock Exchange, London, at a price of 127.50 pence per GDR. There was no fresh issuance of Equity Shares for this issue since all of the 57,418,843 GDRs were offered by the existing shareholders of our Company and hence the issued capital of our Company did not increase.

(c) The Issue has been authorized by a resolution of our Board dated August 6, 2008 and by a special resolution passed by the shareholders of our Company pursuant to section 81(1A) of the Companies Act at the EGM of our Company held on September 8, 2008.

* Our Company is exploring the possibility of a Pre-IPO Placement. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement, will be reduced from the Issue subject to a minimum Issue size of 10% of the post-Issue share capital.

** YKM Holdings Private Limited has authorized the transfer of 7,103,174 Equity Shares pursuant to its board resolution dated October 3, 2008; YKM Holdings International Limited has authorized the conversion of 7,400,000 GDRs into Equity Shares and the transfer of the resultant 37,000,000 Equity Shares pursuant to its board resolution dated October 10, 2008 and Mr. Sanjit Bakshi has given his consent for the transfer of 896,826 Equity Shares pursuant to his letter dated October 21, 2008 in the Offer for Sale.

The 7,103,174 Equity Shares and 896,826 Equity Shares forming part of the Offer for Sale have been held by YKM Holdings Private Limited and Mr. Sanjit Bakshi, respectively, for a period of more than one year from the date of filing of this Draft Red Herring Prospectus. YKM Holdings International Limited has held beneficial interest in 37,000,000 Equity Shares being offered in the Offer for Sale as a result of 7,400,000 GDRs held by it for a period of more than one year from the date of filing of this Draft Red Herring Prospectus.

Our Company has made an application on November 25, 2008 to seek the approval of the RBI for transferring 45,000,000 Equity Shares forming part of the Offer for Sale.

Notes to the Capital Structure

1. Share Capital History

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

Date of Allotment/ Date when made fully paid up	No. of equity shares	Face Value (Rs.)	Issue Price per equity share (Rs.)	Reasons for Allotment	Cumulative number of equity shares	Cumulative Issued Capital (Rs.)	Cumulative Share Premium (Rs.)	Individuals/ entities to whom equity shares were allotted
June 15, 1992	700	10	10	Subscription to the Memorandum and Articles	700	7,000	Nil	Mr. Yogendra Kumar Modi, Mr. Diwan Chand Mittal, Mr. Deepak Diwan, Mr. Sudhir Kumar Grover, Mr. Ashok Sharma, Mr. Dilip Kumar Ghosh and Ms. Lira Goswami*
March 15, 1995	1,000,000	10	10	Preferential allotment	1,000,700	10,007,000	Nil	Bokel Investments Limited
March 29, 1996	416,000	10	10	Preferential allotment	1,416,700	14,167,000	Nil	Bokel Investments Limited
	1,416,700	10	10	Preferential allotment	2,833,400	28,334,000	Nil	McKenzie India Energy Corporation B.V.
March 5, 1997	380,000	10	10	Preferential allotment	3,213,400	32,134,000	Nil	Bokel Investments Limited
January 2, 1998	1,609,615	10	10	Preferential allotment	4,823,015	48,230,150	Nil	Bokel Investments Limited
September 11, 1998	195,000	10	43.50	Preferential allotment	5,018,015	50,180,150	6,532,500	Ogden Energy India (CBM) Limited
March 26, 1999	212,000	10	40.10	Preferential allotment	5,230,015	52,300,150	12,913,700	Ogden Energy India (CBM) Limited
May 5, 1999	482,500	10	35.40	Preferential allotment	5,712,515	57,125,150	25,169,200	Ogden Energy India (CBM) Limited
May 21, 1999	276,000	10	30.75	Preferential allotment	5,988,515	59,885,150	30,896,200	Ogden Energy India (CBM) Limited
February 17, 2000	824,115	10	26.246337	Preferential	6,812,630	68,126,300	44,285,050	Ogden Energy India

Date of Allotment/ Date when made fully paid up	No. of equity shares	Face Value (Rs.)	Issue Price per equity share (Rs.)	Reasons for Allotment	Cumulative number of equity shares	Cumulative Issued Capital (Rs.)	Cumulative Share Premium (Rs.)	Individuals/ entities to whom equity shares were allotted
				allotment				(CBM) Limited
July 28, 2000	670,000	10	10	Preferential allotment	7,482,630	74,826,300	44,285,050	Bokel Investments Limited
	670,000	10	10	Preferential allotment	8,152,630	81,526,300	44,285,050	Ogden Energy India (CBM) Limited
October 25, 2000	273,685	10	10	Preferential allotment	8,426,315	84,263,150	44,285,050	Bokel Investments Limited
	506	10	10	Preferential allotment	8,426,821	84,268,210	44,285,050	Ogden Energy India (CBM) Limited
October 31, 2000	273,179	10	10	Preferential allotment	8,700,000	87,000,000	44,285,050	Bokel Investments Limited
March 1, 2001	265,700	10	10	Preferential allotment	8,965,700	89,657,000	44,285,050	Bokel Investments Limited
April 25, 2001	234,300	10	10	Preferential allotment	9,200,000	92,000,000	44,285,050	Bokel Investments Limited
October 19, 2001	740,000	10	10	Preferential allotment	9,940,000	99,400,000	44,285,050	Bokel Investments Limited
	819,320	10	10	Preferential allotment	10,759,320	107,593,200	44,285,050	YKM Holdings Private Limited
January 4, 2002	1,240,680	10	10	Preferential allotment	12,000,000	120,000,000	44,285,050	YKM Holdings Private Limited
March 30, 2002	1,980,900	10	10	Preferential allotment	13,980,900	139,809,000	44,285,050	YKM Holdings Private Limited
April 8, 2002	1,019,100	10	10	Preferential allotment	15,000,000	150,000,000	44,285,050	YKM Holdings Private Limited
July 12, 2002	1,011,900	10	10	Preferential allotment	16,011,900	160,119,000	44,285,050	YKM Holdings Private Limited
September 1, 2002	362,500	10	10	Preferential allotment	16,374,400	163,744,000	44,285,050	YKM Holdings Private Limited
March 31, 2003	3,100,000	10	10	Preferential allotment	19,474,400	194,744,000	44,285,050	YKM Holdings Private Limited
	3,857,700	10	10	Preferential allotment	23,332,100	233,321,000	44,285,050	CBM Investments Limited
August 18, 2003	100	10	10	Preferential allotment	23,332,200	233,322,000	44,285,050	Mr. Yogendra Kumar Modi
	100	10	10	Preferential allotment	23,332,300	233,323,000	44,285,050	Mr. Prashant Modi
	100	10	10	Preferential allotment	23,332,400	233,324,000	44,285,050	Ms. Asha Modi
	1,667,600	10	10	Preferential allotment	25,000,000	250,000,000	44,285,050	CBM Investments Limited
December 22, 2003	4,250,000	10	10	Preferential allotment	29,250,000	292,500,000	44,285,050	CBM Investments Limited
January 31, 2004	1,350,000	10	10	Preferential allotment	30,600,000	306,000,000	44,285,050	CBM Investments Limited
May 24, 2004	2,600,000	10	10	Preferential allotment	33,200,000	332,000,000	44,285,050	CBM Investments Limited
July 28, 2004	1,800,000	10	10	Preferential allotment	35,000,000	350,000,000	44,285,050	CBM Investments Limited
The face value of the equity share of Rs. 10 each of the Company was sub-divided into face value of Re. 1 each through a shareholders resolution dated September 30, 2004 with effect from the same date resulting in 350,000,000 Equity Shares.								
November 5, 2004	5,325,700	1	1	Preferential allotment	355,325,700	355,325,700	44,285,050	CBM Investments Limited
	3,111,200	1	1	Preferential allotment	358,436,900	358,436,900	44,285,050	YKM Holdings Private Limited
April 14, 2005	3,533,925	1	4.952000962	Preferential allotment	361,970,825	361,970,825	58,251,125	YKM Holdings Private Limited
	7,522,123	1	4.974003217	Preferential allotment	369,492,948	369,492,948	88,144,066	CBM Investments Limited
	49,557,525	1	4.920019714	Preferential allotment	419,050,473	419,050,473	282,410,541	Investors**
September 13, 2005	3,533,807	1	7.420500610	Conversion of warrants	422,584,280	422,584,280	305,099,351	Bokel Investments Limited#
	7,522,241	1	7.420499689	Conversion of warrants	430,106,521	430,106,521	353,395,897	CBM Investments Limited
	49,557,225	1	7.444087537	Conversion of warrants	479,663,746	479,663,746	672,746,993	Investors***
	2,973,453	1	7.420500004	Conversion of warrants	482,637,199	482,637,199	691,838,048	Gilford Securities Incorporated

Date of Allotment/ Date when made fully paid up	No. of equity shares	Face Value (Rs.)	Issue Price per equity share (Rs.)	Reasons for Allotment	Cumulative number of equity shares	Cumulative Issued Capital (Rs.)	Cumulative Share Premium (Rs.)	Individuals/ entities to whom equity shares were allotted
	1982,300	1	7.420499924	Conversion of warrants	484,619,499	484,619,499	704,565,405	Gem Management Limited
December 13, 2005	60,000,000	1	16.22667000^	Issued as security for the issuance of 12,000,000 GDRs as part of GDR Issue I	544,619,499	544,619,499	1,618,165,005	Deutsche Bank Trust Company Americas
Total	**544,619,499**				**544,619,499**	**544,619,499**	**1,618,165,005 ^^**	

Our Company has not issued any Equity Shares during the preceding one year.

All the Equity Shares are issued for cash.

* Each of the subscribers had subscribed to 100 equity shares of our Company

** 49,557,525 Equity Shares were allotted to the following investors pursuant to a subscription and shareholders agreement dated March 29, 2005: (a) Mr. Trent Boehm, (b) Mr. Jay Petschek, (c) Experta Trustees Jersey Limited, (d) Mr. Tom Hickey, (e) Mr. Steve Taylor, (f) Mr. Edmund A. Hajim, (g) Khattar Holdings Pte. Limited, (h) Zedan Limited, (i) First Energy Community Foundation, (j) Moreno Energy Inc., (k) Charterhouse 3 Limited, (l) Crossway Partners, (m) Delta Pleiades, LP, (n) Delta Onshore, LP, (o) Delta Offshore Limited and (p) Delta Institutional, LP.

*** 49,557,225 Equity Shares were allotted to the following investors pursuant to the exercise of warrants subscribed to in terms of a subscription and shareholders agreement dated March 29, 2005: (a) Mr. Trent Boehm, (b) Mr. Jay Petschek, (c) Experta Trustees Jersey Limited, (d) Mr. Tom Hickey, (e) Mr. Steve Taylor, (f) Mr. Edmund A. Hajim, (g) Khattar Holdings Pte. Limited, (h) Zedan Limited, (i) First Energy Community Foundation, (j) Moreno Energy Inc., (k) Charterhouse 3 Limited, (l) Crossway Partners, (m) Delta Pleiades, LP, (n) Delta Onshore, LP, (o) Delta Offshore Limited and (p) Delta Institutional, LP.

Bokel Investments Limited merged with YKM Holdings Private Limited pursuant to an order dated February 29, 2008 of the High Court of Punjab and Haryana, Chandigarh.

^ The issue of GDRs was at a price of 101.00 pence per GDR. Each of the GDRs constituted five Equity Shares.

^^ Out of the cumulative share premium amount of Rs. 1,618,165,005 an adjustment of Rs. 131,570,208 was made by the Company towards issue expenses. Such expenses comprised of Rs. 80,609,059 relating to GDR Issue I and Rs. 50,961,149 relating to allotments made on April 14, 2005 and September 13, 2005, respectively.

2. Our Shareholding Pattern

The table below presents the shareholding pattern of our Company before the Issue and as adjusted for the Issue:

	Pre-Issue		Post-Issue	
	No. of Equity Shares	**%**	**No. of Equity Shares***	**%**
A. Promoters				
YKM Holdings Private Limited	156,857,722	28.80	149,754,548**	25.34
Sub Total (A)	*156,857,722*	*28.80*	*149,754,548*	*25.34*
B. Promoter Group				
YKM Holdings International Limited	2	0.00	2	0.00
Sub Total (B)	*2*	*0.00*	*2*	*0.00*
Total (A+B)	*156,857,724*	*28.80*	*149,754,550*	*25.34*
C. Custodian				
Deutsche Bank Trust Company Americas (in trust for the GDR holders)***	381,111,735	69.98	344,111,735**	58.24
Sub Total (C)	*381,111,735*	*69.98*	*344,111,735*	*58.24*
D. Others				
Mr. Dev Mohan Gupta	2,376,590	0.44	2,376,590	0.40
Mr. Utkarsh Munot	2,376,590	0.44	2,376,590	0.40
Associated Buying Services Private Limited	1,000,000	0.18	1,000,000	0.17

	Pre-Issue		Post-Issue	
	No. of Equity Shares	**%**	**No. of Equity Shares***	**%**
Mr. Sanjit Bakshi	896,826	0.16	Nil**	0.00
Gilford Securities Incorporated	28	0.00	28	0.00
Gem Management Limited	6	0.00	6	0.00
Sub Total (D)	*6,650,040*	*1.22*	*5,753,214*	*0.97*
E. Public	Nil	Nil	91,280,501	15.45
Sub Total (E)	*Nil*	*Nil*	*91,280,501*	*15.45*
Total (A+B+C+D+E)	**544,619,499**	**100.00**	**590,900,000**	**100.00**

* This is based on the assumption that the existing shareholders except the Selling Shareholders, shall continue to hold the same number of Equity Shares after the Issue. This does not include any Equity Shares that shareholders (excluding Promoter and Promoter Group) may subscribe for and be Allotted.

** This is based on the assumption that 45,000,000 Equity Shares offered under the Offer for Sale including 37,000,000 Equity Shares underlying the 7,400,000 GDRs offered by YKM Holdings International Limited as part of the Offer for Sale are Allotted.

*** Certain of our Promoter Group companies and Directors hold GDRs of our Company. For further details see Note 5 of the "Notes the capital structure" below on page 29.

3. Top Ten Shareholders

The list of the top ten shareholders of our Company and the number of Equity Shares held by them is provided below:

(a) As on the date of filing this Draft Red Herring Prospectus, our Company has only nine shareholders who are as follows:

S. No.	Shareholder	No. of Equity Shares Held	Pre-Issue Percentage of Shareholding
1	Deutsche Bank Trust Company Americas*	381,111,735	69.98
2	YKM Holdings Private Limited	156,857,722	28.80
3	Mr. Dev Mohan Gupta	2,376,590	0.44
4	Mr. Utkarsh Munot	2,376,590	0.44
5	Associated Buying Services Private Limited	1,000,000	0.18
6	Mr. Sanjit Bakshi	896,826	0.16
7	Gilford Securities Incorporated	28	0.00
8	Gem Management Limited	6	0.00
9	YKM Holdings International Limited	2	0.00
	Total	**544,619,499**	**100.00**

* *Deutsche Bank Trust Company Americas holds the Equity Shares in trust on behalf of all the GDR holders.*

(b) As on 10 days prior to filing of this Draft Red Herring Prospectus, our Company had only nine shareholders who were as follows:

S. No.	Shareholder	No. of Equity Shares Held	Pre-Issue Percentage of Shareholding
1	Deutsche Bank Trust Company Americas*	381,111,735	69.98
2	YKM Holdings Private Limited	156,857,722	28.80
3	Mr. Dev Mohan Gupta	2,376,590	0.44
4	Mr. Utkarsh Munot	2,376,590	0.44
5	Associated Buying Services Private Limited	1,000,000	0.18
6	Mr. Sanjit Bakshi	896,826	0.16
7	Gilford Securities Incorporated	28	0.00
8	Gem Management Limited	6	0.00
9	YKM Holdings International Limited	2	0.00
	Total	**544,619,499**	**100.00**

* *Deutsche Bank Trust Company Americas holds the Equity Shares in trust on behalf of all the GDR holders.*

(c) Our top ten shareholders and the number of Equity Shares held by them as on two years prior to filing

this Draft Red Herring Prospectus were as follows:

S. No.	Shareholder	No. of Equity Shares Held	Percentage of Shareholding
1	Deutsche Bank Trust Company Americas*	381,111,735	69.98
2	YKM Holdings Private Limited	98,742,125	18.13
3	Bokel Investments Limited	58,115,597	10.67
4	Mr. Dev Mohan Gupta	2,376,590	0.44
5	Mr. Utkarsh Munot	2,376,590	0.44
6	Associated Buying Services Private Limited	1,000,000	0.18
7	Mr. Sanjit Bakshi	896,826	0.16
8	Gilford Securities Incorporated	28	0.00
9	Gem Management Limited	6	0.00
10	YKM Holdings International Limited	2	0.00
	Total	**544,619,499**	**100.00**

* *Deutsche Bank Trust Company Americas holds the Equity Shares in trust on behalf of all the GDR holders.*

4. **Build up of Promoters' Capital, Promoter's Contribution and Lock-in**

a) Details of the build up of Promoters' shareholding:

Name of the Promoter	Date of Allotment/transfer	No. of equity shares*	Face value of equity shares	Issue/ Acquisition Price per equity share (Rs.)**	Nature of Consideration	Nature of Transaction
YKM Holdings Private Limited	October 19, 2001	819,320	10	10	Cash	Preferential allotment
	January 4, 2002	1,240,680	10	10	Cash	Preferential allotment
	March 30, 2002	1,980,900	10	10	Cash	Preferential allotment
	April 8, 2002	1,019,100	10	10	Cash	Preferential allotment
	July 12, 2002	1,011,900	10	10	Cash	Preferential allotment
	September 1, 2002	362,500	10	10	Cash	Preferential allotment
	March 31, 2003	3,100,000	10	10	Cash	Preferential allotment
	September 27, 2004	(100,000)	10	40	Cash	Transfer to Mr. Sanjit Bakshi
	September 27, 2004	(100,000)	10	40	Cash	Transfer to Associated Buying Services Private Limited
	November 5, 2004	3,111,200	1	1	Cash	Preferential allotment
	April 13, 2005	3,000	1	1	Cash	Transfer of 1,000 Equity Shares each from Mr. Yogendra Kumar Modi, Ms. Asha Modi and Mr. Prashant Modi
	April 14, 2005	3,533,925	1	4.952	Cash	Preferential allotment
	November 17, 2005	(1,250,000)	1	1	Cash	Transfer to Bokel Investments Limited
	July 16, 2008	58,115,597	1	Nil#	Consideration other than cash#	Transfer from Bokel Investments Limited
	Total	**156,857,722**				
Mr. Yogendra Kumar Modi	June 15, 1992	100	10	10	Cash	Subscription to Memorandum of Association
	June 19, 1998	(100)	10	10	Cash	Transfer to Bokel Investments Limited
	August 18, 2003	100	10	10	Cash	Preferential Allotment
	April 13, 2005	(1000)	1	1	Cash	Transfer to YKM Holdings Private Limited
	Total	**Nil**				

* *The Equity Shares were fully paid up at the time of allotment. Hence, the date of them being made fully paid up is the same as the date of allotment.*

** *The cost of acquisition excludes the stamp duty paid.*

\# *Pursuant to the order of the High Court of Punjab and Haryana dated February 29, 2008, in relation to the merger of YKM Investment Limited, Trend-Setter Securities & Credits Private Limited, Bokel Investments Limited and Fame Securities & Credits Private Limited with YKM Holdings Private Limited 58,115,597 Equity Shares held by Bokel Investments Limited were transferred to YKM Holdings Private Limited.*

b) Details of Promoter's contribution locked-in for three years:

Pursuant to the SEBI Guidelines, an aggregate of 20% of the post-Issue capital of our Company held by YKM Holdings Private Limited shall be locked-in for a period of three years from the date of Allotment. The details of such lock-in are given below:

Date on which Equity Shares were allotted/transferred and made fully paid up	Nature of allotment/ transfer	Consideration (cash, bonus, consideration other than cash)	Face value^ (Re.)	Issue price (Rs.)	No. of Equity Shares locked-in for three years from the date of Allotment	% of post-Issue paid-up capital
July 16, 2008	Transfer from Bokel Investments Limited*	Other than cash	1	Nil	58,115,597	9.83
April 14, 2005	Preferential allotment	Cash	1	4.952	3,533,925	0.60
November 5, 2004	Preferential allotment	Cash	1	1	3,111,200	0.53
March 31, 2003	Preferential allotment	Cash	1	1	22,646,826	3.83
September 1, 2002	Preferential allotment	Cash	1	1	1,625,000	0.28
July 12, 2002	Preferential allotment	Cash	1	1	10,119,000	1.71
April 8, 2002	Preferential allotment	Cash	1	1	10,191,000	1.72
March 30, 2002	Preferential allotment	Cash	1	1	8,837,452	1.50
Total					**118,180,000**	**20.00**

* This transfer was pursuant to an order dated February 29, 2008 of the High Court of Punjab and Haryana, Chandigarh in relation to the merger of YKM Investment Limited, Trend-Setter Securities & Credits Private Limited, Bokel Investments Limited and Fame Securities & Credits Private Limited with YKM Holdings Private Limited.

^ The face value of the equity share of Rs. 10 each of our Company was sub-divided into face value of Re. 1 each through a shareholders resolution dated September 30, 2004 with effect from the same date.

The Promoters' contribution has been brought in as per Clause 4.6 of the SEBI Guidelines to the extent of not less than the specified minimum lot and from persons defined as promoters. All Equity Shares, which are to be locked-in, are eligible for computation of Promoters' contribution, as per the SEBI Guidelines. In this connection, the Company confirms the following:

a. The Equity Shares held by the Promoters and offered for the minimum 20% Promoters' contribution are not acquired for consideration other than cash and revaluation of assets or capitalisation of intangible assets or bonus shares out of revaluations reserves or reserves without accrual of cash resources or against shares which are otherwise ineligible for computation of Promoters' contribution except for 58,115,597 Equity Shares acquired by YKM Holdings Private Limited on June 16, 2008 from Bokel Investments Limited pursuant to an order dated February 29, 2008 of the High Court of Punjab and Haryana, Chandigarh in relation to the merger of YKM Investment Limited, Trend-Setter Securities & Credits Private Limited, Bokel Investments Limited and Fame Securities & Credits Private Limited with YKM Holdings Private Limited which has been considered for Promoters'

Contribution pursuant to clause 4.6.4 of the SEBI Guidelines;

b. The minimum Promoters' contribution does not consist of Equity Shares acquired during the preceding one year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue, except for 58,115,597 Equity Shares acquired by YKM Holdings Private Limited on June 16, 2008 from Bokel Investments Limited pursuant to an order dated February 29, 2008 of the High Court of Punjab and Haryana, Chandigarh in relation to the merger of YKM Investment Limited, Trend-Setter Securities & Credits Private Limited, Bokel Investments Limited and Fame Securities & Credits Private Limited with YKM Holdings Private Limited which has been considered for Promoters' Contribution pursuant to clause 4.6.4 of the SEBI Guidelines;

c. The Company has not been formed by the conversion of a partnership firm into a company;

d. The Equity Shares held by the Promoters and offered for the minimum 20% Promoters' contribution are not subject to any pledge;

e. The minimum Promoters' contribution does not consist of any private placement made by solicitation of subscriptions from unrelated persons either directly or through any intermediary; and

f. The minimum Promoters' contribution does not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of their subscription in the minimum Promoters' contribution subject to lock-in.

i) Equity Shares locked-in for one year

In addition to 20% of post-Issue shareholding of our Company, locked-in for three years as the minimum Promoters' contribution, as specified above, our entire pre-Issue Equity Share capital, including 344,111,735 Equity Shares underlying the GDRs of the Company but excluding Equity Shares forming part of the Offer for Sale, constituting 381,439,499 Equity Shares will be locked-in for a period of one year from the date of Allotment. The Equity Shares issued and allotted in the Pre-IPO Placement, will be locked-in for a period of one year from the date of Allotment in the Issue.

The GDRs of our Company would be freely tradable on the AIM segment of the London Stock Exchange. However the fungibility, i.e. the conversion of the GDRs of our Company into Equity Shares, would be suspended during the lock-in period of one year.

ii) Inter se transfer of locked-in Equity Shares

The locked-in Equity Shares held by YKM Holdings Private Limited may be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of such Equity Shares is one of the terms of sanction of loan. Further, securities locked-in as minimum Promoters' contribution may be pledged only if, in addition to fulfilling the above condition, the loan has been granted by banks or financial institutions for the purpose of financing one or more of the objects of the Issue as mentioned in the section titled "Objects of the Issue" on page 33.

The Equity Shares held by persons other than the Promoters, prior to the Issue, which are locked-in for a period of one year from the date of Allotment as mentioned above may be transferred to any other person holding the Equity Shares which are similarly locked-in for one year, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

Further, Equity Shares held by YKM Holdings Private Limited, which are locked-in as per the relevant provisions of Chapter IV of the SEBI Guidelines, may be transferred to and amongst the Promoters/Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of 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.

Furthermore, the Equity Shares subject to lock-in will be transferable, subject to compliance with the SEBI Guidelines as amended from time to time.

c) Details of Build up of Shareholding of Promoter Group:

Name of the member of the Promoter Group	Date of Allotment/ transfer	No. of equity shares*	Face value of equity shares#	Issue/ Acquisition/Sale Price per Equity Share (Rs.)**	Nature of Consideration	Nature of Transaction
CBM Investments Limited	March 31, 2003	3,857,700	10	10	Cash	Preferential allotment
	August 18, 2003	1,667,600	10	10	Cash	Preferential allotment
	December 22, 2003	4,250,000	10	10	Cash	Preferential allotment
	January 31, 2004	1,350,000	10	10	Cash	Preferential allotment
	May 24, 2004	2,600,000	10	10	Cash	Preferential allotment
	July 28, 2004	1,800,000	10	10	Cash	Preferential allotment
	November 5, 2004	5,325,700	1	1	Cash	Preferential allotment
	December 22, 2004	(4,350,000)	1	1	Cash	Transfer to Abacus (CI) Limited
	April 13, 2005	(5,750,000)	1	1	Cash	Transfer to Mr. G.S. Talwar
	April 14, 2005	7,522,123	1	4.974	Cash	Preferential allotment
	September 13, 2005	7,522,241	1	7.420	Cash	Conversion of warrants
	December 13, 2005	(17,077,629)	1	16.23	Cash	Transfer in favour of Deutsche Bank Trust Company Americas in furtherance to GDR Issue I.
	September 13, 2006^	(148,445,435)	1	Nil	Other than cash ^^	Transfer in favour of Deutsche Bank Trust Company Americas in furtherance to GDR Issue II.
	Total	Nil				
YKM Holdings International Limited	March 15, 2005	40,768,210	1	1	Cash	Transfer from Covanta Energy India (CBM) Limited
	December 13, 2005	(4,206,208)	1	16.23	Cash	Transfer in favour of Deutsche Bank Trust Company Americas in furtherance to GDR Issue I
	September 13, 2006^	(36,562,000)	1	Nil	Other than cash ^^	Transfer in favour of Deutsche Bank Trust Company Americas in furtherance to GDR Issue II
	Total	**2**				
Ms. Asha Modi	August 18, 2003	100	10	10	Cash	Preferential Allotment
	April 13, 2005	(1000)	1	1	Cash	Transfer to YKM Holdings Private Limited
	Total	**Nil**				
Mr. Prashant Modi	May 31, 1997	100	10	1000	Cash	Transfer from Ms. Lira Goswami
	June 19, 1998	(100)	10	1000	Cash	Transfer to Bokel Investments Limited
	August 18, 2003	100	10	10	Cash	Preferential Allotment

Name of the member of the Promoter Group	Date of Allotment/ transfer	No. of equity shares*	Face value of equity shares#	Issue/ Acquisition/Sale Price per Equity Share (Rs.)**	Nature of Consideration	Nature of Transaction
	April 13, 2005	(1000)	1	1	Cash	Transfer to YKM Holdings Private Limited
	Total	**Nil**				

* The Equity Shares were fully paid up at the time of allotment. Hence, the date of them being made fully paid up is the same as the date of allotment.

** The cost of acquisition excludes the stamp duty paid.

^ This is the date on which the Equity Shares were converted in the dematerialized form.

^^ CBM Investments Limited and YKM Holdings International Limited were issued GDRs in lieu of the Equity Shares transferred by them pursuant to the GDR Issue II.

The face value of the equity share of Rs. 10 each of our Company was sub-divided into face value of Re. 1 each through a shareholders resolution dated September 30, 2004 with effect from the same date.

5. GDR Holdings of Promoter, Promoter Group, Director and Key Managerial Employee

Except as mentioned below, none of our Promoters, Promoter Group entities, Directors and Key Managerial Employees hold GDRs of the Company as on the date of the DRHP filing:

Name	Pre-Issue No. of GDRs	Underlying Equity Shares	Pre-Issue Percentage of Shareholding	Post Issue percentage of shareholding
Promoter Group				
CBM Investments Limited	31,189,087	155,945,435	28.63	26.39
YKM Holdings International Limited	7,667,400	38,337,000	7.04	0.23*
Directors				
Mr. Paul Sebastian Zuckerman	165,466	827,330	0.15	0.14
Mr. Kashi Nath Memani	29,000	145,000	0.03	0.02

**This is based on the assumption that 37,000,000 Equity Shares underlying the 7,400,000 GDRs held by and to be tendered in Offer for Sale by YKM Holdings International Limited are Allotted.*

6. Employee Stock Option Scheme

We have adopted the ESOP 2008 for the grant of options amounting to maximum of 5,000,000 Equity Shares amounting to 0.85% of our post-Issue share capital to eligible employees (as defined therein). The ESOP 2008 shall be administered by the Remuneration Committee/Compensation Committee of our Board.

The details of our employee stock option scheme are as provided below:

Particulars	Details
Options granted	432,658
Exercise price of options	For the current options granted, Rs. 40.00 is the exercise price.
Total options vested (including options exercised)	Nil
Options exercised	Nil
Total number of Equity Shares arising as a result of full exercise of options already granted	Nil
Options forfeited/ lapsed/ cancelled	49,963
Variations in terms of options	Nil
Money realised by exercise of options	N.A.
Options outstanding (in force)	382,695
Person-wise details of options granted to	
i) Directors and Key Managerial Employees	187,409*
ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil

Particulars	Details
iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil
Fully diluted EPS on a pre-Issue basis for the Fiscal 2008 pursuant to issue of shares on exercise of options calculated in accordance with the AS 20.	(0.20)

Vesting schedule

Percentage of Options Vested	Cumulative Percentage	Schedule
20%	20%	On expiry of one year from the date on which the options were granted
20%	40%	On expiry of two years from the date on which the options were granted
20%	60%	On expiry of three years from the date on which the options were granted
20%	80%	On expiry of four years from the date on which the options were granted
20%	100%	On expiry of five years from the date on which the options were granted

Lock-in	Nil
Impact on profits and EPS of the last three years	N.A., as the options have been granted on August 1, 2008 as per the resolution passed by the Remuneration Committee/Compensation Committee on July 27, 2008.
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options	Rs. (1,683,020)
Impact on profits of our Company and on the EPS arising due to difference in the accounting treatment and for calculation of the employee compensation cost (i.e., difference of the fair value of stock options over the intrinsic value of the stock options)	Losses would increase by Rs. 1,683,020 and impact on EPS would be (0.002)
Pricing formula	The exercise price of options shall be the market price which means the latest available closing price, prior to the date of the meeting of the Board, in which the options are granted, on the stock exchange on which the Equity Shares are listed. If the Equity Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered.
Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	Exercise price - Rs. 40.00 Fair value - Rs. 25.29
Method and significant assumptions used to estimate the fair value of options granted during the year:	
Method used	Black Scholes Method
Risk free interest rate	9.29% to 9.30%
Expected life	5.5 years to 7.5 years
Expected volatility	50.88%
Expected dividends	Nil
Price of underlying shares in market at the time of option grant	Rs. 40.00

** Directors and Key Managerial Employees to whom Options have been granted*

S. No.	Name	No. of options granted
Directors		
1.	Mr. Kashi Nath Memani	25,000
2.	Mr. Pejavar Murari	25,000
3.	Mr. Haigreve Khaitan	25,000
Key Managerial Employees		
1.	Mr. Parveen Arora	39,416
2.	Mr. Subrat Das	39,416
3.	Mr. Paramjeet Singh	33,577

Our Company undertakes to conform to the accounting policies as specified in the Clause 13.1 of the SEBI (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999.

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

8. In terms of Rule 19 (2) (b) of the SCRR, this Issue being for less than 25% of Post Issue Capital, the Issue is being made through 100% Book Building Process wherein at least 60% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. From the existing QIB Portion, 5% of the QIB Portion shall be available for allocation 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.

9. At least 60% of the Issue, that is, 54,768,301 Equity Shares shall be available for allocation 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 Allotment 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 allotted to QIBs, then the entire application money will be refunded forthwith.

10. Not less than 10% of the Issue, i.e. 9,128,050 Equity Shares shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue, that is 27,384,150 Equity Shares 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. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories at the discretion of our Company in consultation with the BRLMs.

11. Except as mentioned below, none of the Directors, the Promoters or their directors, or the Promoter Group have purchased or sold any securities of the Company, during a period of six months preceding the date of filing of this Draft Red Herring Prospectus with SEBI. The maximum and minimum price of these transactions was 300 pence and 225 pence, respectively.

Name of the entity	Date of transaction	Nature of transaction	Number of securities	Average price per security
YKM Holdings International Limited	July 1, 2008	Purchase of GDRs	55,000	265 pence
	September 19, 2008	Purchase of GDRs	25,000	300 pence
	September 24, 2008	Purchase of GDRs	25,000	300 pence
	October 7, 2008	Purchase of GDRs	50,000	250 pence
	October 14, 2008	Purchase of GDRs	25,000	225 pence
YKM Holdings Private Limited	July 16, 2008	Transfer of Equity Shares from Bokel Investments Limited pursuant to an order dated February 29, 2008 of the High Court of Punjab and Haryana, Chandigarh in relation to the merger of YKM Investment Limited, Trend-Setter Securities & Credits Private Limited, Bokel Investments Limited and Fame Securities & Credits Private Limited with YKM Holdings Private Limited.	58,115,597	Nil

12. An investor 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.

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

14. Our Company undertakes that at any given point of time, there shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

15. As on the date of this Draft Red Herring Prospectus, the total number of holders of Equity Shares is nine.

16. None of our Directors hold any Equity Shares.

17. Our Company has not raised any bridge loans against the proceeds of the Issue.

18. As on date of filing of this Draft Red Herring Prospectus with SEBI, the entire issued share capital of our Company is fully paid-up.

19. Our Company has not issued any Equity Shares out of revaluation reserves or for consideration other than cash.

20. Except for outstanding options granted to our employees under ESOP 2008, there are no outstanding financial instruments or rights which would entitle the existing Promoters or the shareholders any option to receive the Equity Shares after the Issue.

21. The Equity Shares held by our Promoters are not subject to any pledge.

22. Any oversubscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the Basis of Allotment.

23. Our Promoters and members of our Promoter Group will not Bid in this Issue.

24. There are certain restrictive covenants in the agreements that our Company has entered into with banks and a financial company for borrowings. For further details of the terms of these agreements, see section "Financial Indebtedness" beginning on page 183.

25. Subject to the Pre-IPO Placement we presently do not intend or propose to alter our capital structure for a period of 180 days 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 or joint ventures, subject to necessary approvals, we may consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures, subject to compliance with applicable laws.

26. The Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

OBJECTS OF THE ISSUE

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

The Offer for Sale

The object of the Offer for Sale is to allow the Selling Shareholders to offload 45,000,000 Equity Shares. The Company will not receive any proceeds from the Offer for Sale.

The Objects of the Fresh Issue

The objects of the Fresh Issue are to finance (a) the drilling of 66 wells and two gas gathering stations ("**GGS**") in our Block, (b) laying of pipelines for transportation of CBM and (c) general corporate purposes.

The listing of our Equity Shares will also help us create a public trading market for the Equity Shares and provide liquidity to our existing shareholders and enhance our visibility and brand name.

The main object clause of our Memorandum enables us to undertake our existing activities and activities for which funds are being raised by us through the Fresh Issue.

The details of the proceeds of the Fresh Issue are summarized in the table below:

(Rs. in million)

Particulars of Expenditure	Amount
Gross proceeds of the Fresh Issue	[●]
Issue related expenses (other than those to be borne by Selling Shareholders)	[●]
Net proceeds of the Fresh Issue	[●]

Details of the Objects

We intend to utilize the net proceeds of the Fresh Issue, which is estimated at Rs. [●] million ("**Net Proceeds**") for financing the above-mentioned objects. The total fund requirement and detailed utilization of Net Proceeds will be as per the table set forth below:

(Rs. in million)

S.No	Expenditure Item	Total Estimated Cost	Amount Deployed till Nov 30, 2008	Balance Amount Payable	Estimated Schedule of Deployment		
					From Dec 1 2008 - March 31 2009	FY 2009-10	FY 2010-11
1	Finance the drilling of 66 wells and two GGS in our Block	4,119.62	20.72	4,098.90	230.69	2,078.19	1,790.02
2	Finance laying of pipelines from Asansol to Durgapur and from the GGS to the city gathering station.	596.60	Nil	596.60	149.15	298.30	149.15
3	General corporate purpose	[●]			[●]	[●]	[●]
	Total	[●]	[●]	[●]	[●]	[●]	[●]

The fund requirement and deployment is based on management estimates and has not been appraised by any bank or financial institution. The estimated cost is based on third party quotations and existing contracts. The actual cost would depend on the prices finally settled with the suppliers/contractors and may vary from the above estimates.

In view of the evolving nature of the natural gas industry, we may have to revise our expenditure and fund requirements as a result of variations in the cost structure, changes in estimates, non-receipt of critical government approvals, exchanges rate fluctuations and external factors, which may not be within the control of our management. This may entail rescheduling, revising fund requirements or cancelling the planned expenditure and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our management. Such changes, if any, in our business plan, shall be made keeping in mind shareholders' interest. In case of shortfall in the Issue proceeds to meet the aforesaid objects of the Issue, we propose to meet the same through internal accrual and/or further issue of capital and/or debt

Details of use of Issue Proceeds:

1. Drilling of 66 wells and two GGS in our Block

We are a natural gas company based in India focused on the exploration, development, production, distribution and sale of natural gas from coal seams, commonly known as CBM. We produce CBM from our Block in Raniganj. We entered into a PSC with the MoPNG in May 2001 and received our PEL from the West Bengal Government in September 2001 and executed the formal deed for our PEL in November 2001. As per the terms of the PSC, we submitted a development plan to DGH (the "**Development Plan**").

Our Development Plan includes drilling 100 wells, constructing up to five GGS and laying an underground MDPE pipeline connecting the wells to the gas gathering stations. As of November 30, 2008, we have completed 23 wells, one GGS and 13 additional wells are in various stages of completion. We intend to use a portion of the Net Proceeds to fund the drilling of the 66 proposed wells and two GGS. We have already commenced work on two wells from the proposed 66 wells.

Cost of drilling the wells and the GGS:

The estimated cost of drilling 66 wells and two GGS is set forth below:

(Rs. In million)

S.No	Particulars	Estimated Cost*
1	Land & site development	124.74
2	Drilling of well & completion activities including connection of pipelines to GGS	3,107.24
3	Gas Gathering Stations	866.39
4	Measurement System	21.25
	Total	**4,119.62**

*The estimated cost includes a 5% contingency provision.

a) Land and site development

Approximately 1.5 to 2 acres of land is required for one CBM well. Site development for this includes hard surfacing for proper movement of drilling rig, trailers, fencing, construction of temporary building and sanitary facilities. The site development activity is outsourced to various contractors. Site development for a typical CBM well takes approximately 3 to 4 months. On an average each site of land costs approximately Rs. 0.3 million and site development would cost approximately Rs. 1.5 million per well.

We have already purchased land for 24 wells and have leased land for one well and are in the process of acquiring land for the remaining 41 wells. We have completed land development activities on 10 sites. Further we have installed conductor casing on 12 sites.

b) Drilling of well and completion activities

Drilling of well involves drilling of holes, setting of casing pipes, cementing and wire line logging, and completion activities primarily involve perforation, fracturing, installation of dewatering pumps, connection of pipelines to GGS. Drilling of well and completion activities are completely outsourced by us and accordingly we would be awarding contracts to various contractors for the same. An activity-

wise cost break up is reflected in the table given below:

(Rs. In million)

Activity	Cost
Drilling, Casing and Complete Material for Drilling	600.19
Logging for Open and Cased Hole	93.57
Cementing for 9 5/8" and 5 ½" Hole	342.44
Fracturing 10 Seams per Well	1928.08
Work Over and Completion (which includes installation of dewatering of pumps) Including Surface facility at Well site	140.51
Demobilisation Expenses	2.46
Total	**3,107.25**

For the drilling of 66 wells we have entered into the following contracts:

- For hiring personnel for operating the rig which is required for the drilling activity. As per the terms of this agreement we estimate the cost for the same to be Rs. 110.65 million
- For open hole and cased hole logging, As per the terms of this agreement we estimate the cost for the same to be Rs. 89.12 million.
- For hiring charges of work over rig and crew. As per the terms of this agreement we estimate the cost for the same to be Rs. 46.72 million.

We will need to purchase certain machinery aggregating Rs. 295.54 million for the purposes of drilling of wells and completion activities. Mentioned below are the details of the quotation we have received for the machineries proposed to be purchased by us for drilling of wells and completion activities:

Name of the Machinery	Quantity	Cost of the Machinery (Rs. In million)	Date of quotation*
PC Pump (Model 14-1200(18.35-400), NBRA Stator with 2 7/8" EUE Box Connection on top and 2 7/8" EUE pin Connection at bottom)	66	14.19	December 8, 2008
Mechanical Items for drilling	-	281.35	September 22, 2008 and November 25, 2008
Total		**295.54**	

** the quotations obtained are valid as on date and we will obtain fresh quotations in the event they have expired as on date of filing of the Red Herring prospectus with the Registrar of Companies.*

In addition to purchasing the machineries, we would hire the mud pumps on lease. We estimate the cost for the same to be Rs. 22 million as per the quotation dated September 18, 2008 received by us.

We have also sought following quotations from various services providers/contractors for the execution of drilling of wells and completion activities.

Services	Cost (Rs. In million)	Date of quotation*
Drilling and Installation of Conductor Casing	15.39	December 10, 2008
Cementing	197.22	November 6, 2008
All activities involving fracturing of seams	1745.19	November 11, 2008
Total	**1957.80**	

** the quotations obtained are valid as on date and we will obtain fresh quotations in the event they have expired as on date of filing of the Red Herring prospectus with the Registrar of Companies.*

None of the machinery described above, is used /second hand in nature, and we do not propose to purchase any used / second hand machinery.

c) Gas Gathering station

Gas and produced formation water from a number of CBM wells flows through a network of MDPE pipelines into a GGS where the gas is treated. The GGS consists of several sets of compressors, separator vessels, water service system, a flare and all required instrumentation. The treatment consists of separating water from the gas in a number of separator vessels, which operate under various pressure

regimes. In these separators most of the water is separated from the gas and this separating treatment is followed by a final dehydration phase of the gas to ensure that it has the agreed specifications required for transportation and sale through steel pipelines to customers. A final set of compressors ensure that the treated gas has sufficient pressure so that it can flow through the steel pipeline to the customer's sales point.

We have entered into an agreement dated May 14, 2008 with Mecon Limited for project management consultancy service for GGS, and MDPE pipelines. On the basis of detailed project plan to be submitted by Mecon Limited we would be implementing the construction of GGS and the MDPE pipeline.

Mentioned below are the details of the quotation we have received for the machineries proposed to be purchased by us for construction of GGS.

Name of the Machinery	Quantity	Cost of the Machinery (Rs. In million)	Date of quotation*
Screw Compressor for first Level 11 nos	11	230.38	October 25, 2008
Screw Compressor for second Level 2 - 6nos	6	214.20	October 16, 2008
Total		**444.58**	

** the quotations obtained are valid as on date and we will obtain fresh quotations in the event they have expired as on date of filing of the Red Herring prospectus with the Registrar of Companies.*

We have also sought following quotations from various services providers/contractors for the implementing the construction of GGS and the MDPE pipeline

Services	Cost (Rs. In million)	Date of quotation*
Construction of 2 GGS	138.14	October 10, 2008
MDPE Pipe laying (66 wells)	66.66	December 8, 2008
Cost of Pipe	153.29	December 24, 2008
Total	**358.09**	

** the quotations obtained are valid as on date and we will obtain fresh quotations in the event they have expired as on date of filing of the Red Herring prospectus with the Registrar of Companies.*

The total estimated cost of construction of GGS is Rs. 625.19 million and for the MDPE pipelines is Rs. 241.20 million.

d) Measurement system

The volume and quantity of CBM produced from the wells is measured by metering equipment and same is communicated to main server through communication equipment and antenna. The machineries required for the same are as follows:

Name of the Machinery,	Quantity	Cost of the Machinery (Rs. In million)	Date of order*
• Scanner Flow Computer • Communication Accessories Box • Radio Modem and Antenna	1 set each	16.58	January 7, 2008

** the quotations obtained are valid as on date and we will obtain fresh quotations in the event they have expired as on date of filing of the Red Herring prospectus with the Registrar of Companies.*

Further, we would also be incurring certain installation and commissioning expenses aggregating to approximately to Rs. 3.84 million.

Schedule of implementation

The schedule of implementation for drilling the 66 wells is estimated by the management of the Company as follows:

Activity	Estimated date of completion
Completion of Well No. 35 to 41	March, 2009
Completion of Well No. 42 to 71	March, 2010
Commissioning of 2nd GGS	March, 2010
Completion of Well No. 72 to 100	March, 2011
Commissioning of 3rd GGS	March, 2011

2. Laying of pipelines

We believe that ownership of a good network of pipelines will enable us to further strengthen our distribution channels. Accordingly, we propose to invest Rs. 596.60 million from the Net Proceeds of Fresh Issue for extending the pipelines by 57 kms from our existing CGS at Asansol to Durgapur and for laying the steel pipelines from the 2nd GGS to city gathering station. The pipes are procured by us and the laying of the pipelines is outsourced to third part contractors.

Mentioned below are the details of the quotation we have received in relation to procuring the steel pipelines:

Sl.No	Types of pipes	Length required	Amount (Rs. in million)	Date of quotation*
1	12 inch coated pipes	69,500 meter	168.83	December 12, 2008
2	4 inch coated pipes	22,000 meter	29.68	November 29, 2008
	Total		**198.51**	

** the quotations obtained are valid as on date and we will obtain fresh quotations in the event they have expired as on date of filing of the Red Herring prospectus with the Registrar of Companies.*

In addition to the above mentioned quotation for purchase of pipes, we will be incurring expenses for laying of pipelines and other miscellaneous expenses such as permission for right of way, third party inspection etc., aggregating to approximately Rs. 398.09 million.

Schedule of implementation

The schedule of implementation for laying the pipelines as estimated by the management of the Company is as follows:

Activity	Estimated date of completion
CGS at Asansol to Durgapur:	
Placing orders for procuring the pipes	January 2009
Award of contract for laying pipelines	January 2009
Commencement of pipeline laying	January 2009
Completion of pipeline laying	June 2009
2nd GGS to CGS	
Placing orders for procuring the pipes	October 2009
Award of contract for laying pipelines	November 2009
Commencement of pipeline laying	January 2010
Completion of pipeline laying	June 2010

Funds Deployed For Both the Objects:

As of November 30, 2008, we have deployed Rs. 20.72 million in connection with drilling of 66 wells towards acquisition of land, land development activities like hard surfacing, fencing other sanitary work on land acquired for 25 sites and on installing conductor casing, as certified by Mukesh Choudhary & Associates, Chartered Accountants by their certificate dated December 12, 2008. This deployment has been funded through the debt funding of the Company and will not be recovered from the Net Proceeds. We have not incurred any expenditure in connection with the laying of pipelines.

Means of Finance

The total estimated cost of drilling 66 wells, construction of two GGS and laying of pipelines is Rs. 4,716.22 million. As of November 30, 2008, we have deployed Rs. 20.72 million for acquiring land for drilling 66 wells. Our remaining project requirement of Rs. 4,695.50 million, will be met through Net Proceeds of the Fresh Issue and debt.

We have already obtained a loan of Rs 3,500 million as per common loan agreement dated January 24, 2008 from a consortium of banks and a financial company comprising, State Bank of India, State Bank of Mysore, State Bank of Indore, State Bank of Saurashtra (merged with State Bank of India on August 13, 2008), State Bank of Travancore, State Bank of Patiala, Union Bank of India, Canara Bank and L&T Infrastructure Finance Company Limited. For further information, please see section titled "Financial Indebtedness" on page 183.

As on November 30, 2008 the Company has recived letters certifying the amount drawn down with respect to each of the bank and the financial company in the consortium. The aggregate of such amount drawn down is Rs. 1681.61 million. Out of the undrawn facilities aggregating Rs. 1,818.39 million available from the said line of credit will be used towards the debt tie up of for our objects as mentioned above. We confirm that we have made firm arrangements through verifiable means towards the 75% of the stated means of finance excluding the amount to be raised through the Issue.

3. General Corporate Purposes

We propose to apply the remaining Net Proceeds of the Fresh Issue for general corporate purposes as decided by our Board from time to time including working capital requirement, strategic initiatives, interest on loans during construction period, strengthening of our marketing capabilities and other project related investments etc.

Our management, in accordance with the policies of our Board will have flexibility in utilizing the issue proceeds available for general corporate purposes.

Issue Related Expenses

Issue related expenses include, among others, underwriting and selling commissions, printing and distribution expenses, legal fees, advertisement and marketing expenses, SEBI filing fees, bidding software expenses, IPO Grading expenses, Registrar's fees, depository fees and listing fees.

The Issue expenses, except the listing fee, shall be shared between our Company and the Selling Shareholders in the proportion to the number of Equity Shares sold to the public as part of the Issue. The listing fees will be paid solely by our Company.

The details of the estimated Issue expenses are as follows:

(Rs. in million)

Activity	Estimated expenses	As a percentage of the total Issue expenses	As a percentage of the Net Proceeds
BRLMs fees, underwriting and selling commission*	[•]	[•]	[•]
Advertising and marketing expenses	[•]	[•]	[•]
Printing, stationery and distribution expense	[•]	[•]	[•]
IPO Grading expense	[•]	[•]	[•]
Others (Registrar's fee, legal fee, listing fee etc.)	[•]	[•]	[•]
Total estimated Issue expenses			

** Will be included upon finalization of the Issue Price.*

Appraisal Report

None of the projects for which the Net Proceeds will be utilized have been financially appraised by any banks, financial institutions or agency and the estimates of the costs of the projects mentioned above are based on the internal estimates of the Company.

Interim Use of Proceeds

Pending utilization of the net proceeds out of the Fresh Issue for the purposes described above, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investments would be in accordance with the investment policies approved by the Board from time to time. Further, we would not employ net proceeds of the Fresh Issue in equity capital markets.

Bridge loans

We have not raised any bridge loans against the proceeds of the Fresh Issue.

Monitoring Utilisation of Funds

Our Audit Committee will monitor the utilization of the Net Proceeds of the Fresh Issue. In the event the size of the Fresh Issue exceeds Rs. 5,000 million our Company will appoint a monitoring agency in compliance with clause 8.17 of the SEBI Guidelines.

We will disclose the details of the utilization of the Net Proceeds of the Fresh Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges. As per the requirements of Clause 49 of the listing agreement, we will disclose to the Audit Committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. The said disclosure shall be made till such time that the full proceeds raised through the Fresh Issue have been fully spent. The statement shall be certified by our Statutory Auditors. Further, in terms of Clause 43A of the Listing Agreement, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in this Draft Red Herring Prospectus. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Clause 41 of the Listing Agreement and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Clause 49.

No part of the proceeds of the Fresh Issue will be paid by us as consideration to our Directors, Promoters, Promoter Group or Key Managerial Employees except in the normal course of our business.

BASIS FOR THE ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares through the Book Building Process. The face value of the equity shares is Re. 1 and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

We believe that the following competitive strengths will enable us to compete successfully in our industry.

- Early mover advantage.
- Our Block has large coal deposits with CBM content and we have a license to operate on our Block until 2036.
- Located near large markets for fuel.
- Vertically-integrated gas supplier.
- Experienced management and consultant team with international exposure.
- We own our drilling rig.

For further details, see the section titled "Our Business - Competitive Strengths" on page 63.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Unconsolidated Financial Statements for Fiscals 2006, 2007 and 2008 prepared in accordance with Indian GAAP. For details, see the section titled "Financial Information" on page 111.

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

1. **Earning Per Share (EPS):**

As per summary restated financial statements:

Year ended	EPS (in Rs.)	Weight
March 31, 2006	(0.0056)	1
March 31, 2007	(0.0384)	2
March 31, 2008	(0.199)	3
Weighted Average	(0.1132)	

Note: *EPS calculations have been done in accordance with Accounting Standard 20-"Earning per share" issued by the Institute of Chartered Accountants of India.*

2. **Price/Earning (P/E) ratio in relation to Issue Price of Rs [●] per share of Re. 1 each**

a. P/E based on EPS as per our Restated Unconsolidated Financial Statements for year ended March 31, 2008 is [●].

b. Industry P/E: There are no listed companies in India that engage in a business similar to that of our Company.

3. **Return on Net Worth as per restated financials:**

Return on Net Worth as per our summary restated financial statements:

Year ended	RONW (%)	Weight
March 31, 2006	(0.14)	1
March 31, 2007	(1.09)	2
March 31, 2008	(5.98)	3
Weighted Average	(3.38)	

4. **Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2008:**

Based on standalone restated financial statements:

a. At the Floor Price – [●]%
b. At the Cap Price – [●]%

5. **Net Asset Value per Equity Share of face value Re. 1 each**

a. As of March 31, 2008, as per our Restated Financial Statements is Rs 3.33
b. After the Issue, as per our Restated Financial Statements: [●]
c. Issue Price: Rs. [●]*

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

Net Asset Value per Equity Share represents Net Worth, as restated divided by the number of Equity Shares outstanding at the end of the period.

6. **Comparison with Industry Peers:**

There are no comparable listed companies in India. Hence, comparison with industry peers is not applicable.

The Issue Price of Rs. [●] has been determined by the Company in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book Building Process. Prospective investors should also review the entire Draft Red Herring Prospectus, including, in particular, the sections entitled ''Risk Factors'', ''Industry Overview'', ''Our Business'' and ''Financial Information'' at pages x, 49, 63 and 111 of this Draft Red Herring Prospectus to obtain a more informed view about the investment proposition.

STATEMENT OF TAX BENEFITS

The Board of Directors
Great Eastern Energy Corporation Limited
1D Bally High
1 Ballygunge Park Road
Kolkata - 700019

We hereby report that the enclosed statement, prepared by Great Eastern Energy Corporation Limited [hereinafter referred to as the "Issuer"], states the possible tax benefits available to the Issuer and its members under the provisions of the Income Tax Act, 1961 and the Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Issuer or its members fulfilling the conditions prescribed under the relevant provisions of the respective tax laws. Hence, the ability of the Issuer or its members to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Issuer may or may not choose to fulfill.

The benefits discussed in the Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Issuer's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

(i) the Issuer or its members will continue to obtain these benefits in future; or

(ii) the conditions prescribed for availing the benefits, where applicable have been/ would be met

The contents of the enclosed statement are based on the information, explanations and representations obtained from the Issuer and on the basis of the understanding of the business activities and operations of the Issuer and the interpretation of the current tax laws in force in India.

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Prabal Kumar Sarkar
Partner
Membership No: 052340
Place: Kolkata
Date: December 23, 2008

ANNEXURE

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE INCOME -TAX ACT, 1961 AND OTHER DIRECT TAX LAWS PRESENTLY IN FORCE IN INDIA

TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

- This Statement sets out below the possible tax benefits available to the Company and to the shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfill.

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

- In respect of non-residents, the tax rates and the consequent taxation, mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and

- The stated benefits will be available only to the sole / first named holder in case the shares are held by joint shareholders.

I. Possible special tax benefits available to the Company under the Income-Tax Act, 1961 ("IT ACT")

1. The company shall be eligible to the benefit envisaged u/s 80- IB(9) provided it is judicially accepted as the law of the land in India that mineral oil includes natural gas for the purpose of section 80-IB(9) and subject to the fulfillment of other conditions prescribed in that section.

2. In accordance with the provisions of section 42 the company is eligible to claim deduction for 100% of the expenditure incurred on exploration & drilling operations as provided in the Coal Based Methane Production Sharing Contract entered with Government of India through Ministry of Petroleum & Natural Gas provided the conditions stipulated in the said contract and in section 42 are satisfied.

II. Other tax benefits available to the Company under the Income-tax Act, 1961

1. The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

2. By virtue of Section 10(34) and 10(35) of the IT Act, dividend income from domestic company and units of specified mutual fund are exempt from tax in the hands of the Company. However it is pertinent to note that section 14A of the IT Act restricts claim for deduction of expenses incurred in relation to exempt income. Thus, any expense incurred to earn the dividend income is not an allowable expenditure.

3. Subject to fulfillment of conditions, the Company will be eligible, inter alia, for the following specified deductions in computing its business income:-

   (a) Section 35(1)(i) and (iv) of the IT Act, in respect of any revenue or capital expenditure incurred, on scientific research other than expenditure on the acquisition of any land, related to the business of the company.

(b) Subject to compliance with certain conditions laid down in Section 32 of the IT Act, in addition to normal depreciation allowance on tangible assets used for the purpose of its business the Company will be entitled to deduction for depreciation on the following:-

(i) In respect of intangible assets in the nature of know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998 at the rates prescribed under the Income Tax Rules.

(ii) In respect of new machinery or plant which has been acquired and installed after 31st March, 2005 for manufacturing or production facilities a further sum of 20% of the actual cost of such machinery or plant as additional deprecation in the year in which the new plant and machinery is first put to use provided it is judicially accepted that extraction of Coal Based Methane is a production activity.

4. Any sum paid by the company as donation to specified fund/institutions will be eligible for deduction u/s 80G based on specified percentage as provided.

5. Any sum contributed by the company to any political party in terms of section 293A of the Companies Act, 1956 shall be allowed as deduction u/s 80GGB.

6. Minimum Alternate Tax (Mat) and credit for the same

The Company would be required to pay tax on its book profits under the provisions of section 115JB in case where tax on its "total income"(the term defined under section 2(45) of the IT Act) is less than 10% of its book profit (the term defined under section 115JB of the IT Act). Such tax is referred to as Minimum Alternate Tax (MAT.)

The difference between the MAT payable under section 115JB of the IT Act and the tax on its total income payable for that assessment year shall be allowed to be carried forward as "MAT credit" upto 7 assessment years succeeding the assessment year in which such MAT was paid. The MAT credit can be utilized to be set off against taxes payable on the total income in the subsequent assessment years.

III. Tax Benefits available to shareholders of the Company under the Income-tax Act, 1961 ("IT Act")

A. Resident shareholders

1. Under section 10(32) of the IT Act, any income of minor children clubbed in the total income of the parent under section 64(IA) of the IT Act, will be exempt from tax to the extent of Rs.1,500 per minor child whose income is so included.

2. Under Section 10(34) of the IT Act, income by way of dividend referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders. However it is pertinent to note that section 14A of the IT Act restricts claim for deduction of expenses incurred in relation to exempt income. Thus, any expenses incurred to earn the dividend income is not an allowable expenditure.

3. The characterization of the gains/ losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the member and various other factors.

4. (a) The long-term Capital Gains accruing to the members of the Company on sale of the Company's shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to Securities Transaction Tax, shall be exempt from tax as per provisions of Section 10(38) while computing the total income.

(b) The short-term Capital Gains accruing to the members of the Company on sale of the Company's shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to Securities Transaction Tax, tax will be chargeable @ 15% [plus applicable surcharge and education cess] as per provisions of Section 111A. Further no deduction under Chapter VI-A would be allowed in computing such short term capital gains subjected to tax under section 111A. In other case, i.e. where the transaction is not subjected to STT, the short term

capital gains would be chargeable as a part of the total income and the tax rates would depend on the income slab.

(c) As per the provisions of Section 112 of the Act, long term gains accruing to the members of the Company from the transfer of shares of the Company being listed in recognized stock exchanges, otherwise than as mentioned in point 4(a) above, shall be charged to tax @ 10% [plus applicable surcharge and education cess] after deducting from the sale proceeds the cost of acquisition without indexation. However, the members claiming the benefit of indexation would be subjected to tax @ 20% plus applicable surcharge and education cess on the long term gains. Further no deduction under Chapter VI-A would be allowed in computing such long term capital gains subjected to tax under section 112.

(d) The members are entitled to claim exemption in respect of tax on long term capital gains [other than those exempt under section 10(38) of the IT Act] under section 54EC of the IT Act, if the amount of capital gains is invested in certain specified bonds / securities subject to the fulfillment of the conditions specified therein. The maximum investment permissible for the purposes of claiming the exemption in the above bonds by any person in a financial year is Rs. 5 million.

However, if the Member transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which such bonds are transferred or otherwise converted into money.

(e) Individuals or HUF members can avail exemption under section 54F by utilization of the sales consideration arising from the sale of company's share held for a period more than 12 months [which is not exempt under section 10(38)], for purchase / construction of a residential house within the specified time period and subject to the fulfillment of the conditions specified therein.

5. Section 36(1)(xv) provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from purchase or sale of an equity share in a company carried out through a recognized stock exchange, i.e., from taxable securities transactions, the assessee shall get deduction equal to the securities transaction tax paid in the course of his business.

B. 1 Non-resident shareholders – other than Non Resident Indians & Foreign Institutional Investors

1. Under section 10(32) of the IT Act, any income of minor children clubbed in the total income of the parent under section 64(IA) of the IT Act, will be exempt from tax to the extent of Rs.1,500 per minor child whose income is so included.

2. Dividend (whether interim or final) declared, distributed or paid, under Section 115-O of the IT Act, by the Company are exempt in the hands of shareholders as per the provisions of Section 10(34) of the Act. However it is pertinent to note that section 14A of the IT Act restricts claim for deduction of expenses incurred in relation to exempt income. Thus, any expenses incurred to earn the dividend income is not an allowable expenditure.

3. The characterization of the gains/ losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the member and various other factors.

4. The long-term Capital Gains accruing to the members of the Company, being a non-resident, on sale of the Company's shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to Securities Transaction Tax, shall be exempt from tax as per provisions of Section 10(38) while computing the total income.

5. The short-term Capital Gains accruing to the members of the Company on sale of the Company's shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to Securities Transaction Tax, tax will be chargeable @ 15% [plus applicable surcharge and education cess] as per provisions of Section 111A. Further no deduction under Chapter VI-A would be allowed in computing such short term capital gains subjected to tax under section 111A.In other case, i.e. where the transaction is not subjected to STT, the short term capital gains would be chargeable as a part of the total income and the tax rate would depend on the income slab.

6. As per the provisions of Section 112 of the Act, long term gains accruing to the members of the Company, being non-residents, from the transfer of shares of the Company being listed in recognized stock exchanges, otherwise than as mentioned in point 4 above, shall be charged to tax @ 20% [plus applicable surcharge and education cess] after deducting from the sale proceeds the cost of acquisition. Such non resident Members are allowed to adjust the cost of acquisition by the amount of foreign exchange rate fluctuations in computing long term capital gains. Further no deduction under Chapter VI-A would be allowed in computing such long term capital gains subjected to tax under section 112.

7. Under the provisions of Section 90(2) of the IT Act, if the provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of residence of the non-resident are more beneficial, then the provisions of the DTAA shall be applicable.

8. The members are entitled to claim exemption in respect of tax on long term capital gains [other than those exempt under section 10(38) of the IT Act] under section 54EC of the IT Act, if the amount of capital gains is invested in certain specified bonds / securities subject to the fulfillment of the conditions specified therein. The maximum investment permissible for the purposes of claiming the exemption in the above bonds by any person in a financial year is Rs. 5 million.

   However, if the Member transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which such bonds are transferred or otherwise converted into money.

9. Individuals members can avail exemption under section 54F by utilization of the sales consideration arising from the sale of company's share held for a period more than 12 months [which is not exempt under section 10(38)], for purchase / construction of a residential house within the specified time period and subject to the fulfillment of the conditions specified therein.

10. Section 36(1)(xv) provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from purchase or sale of an equity share in a company carried out through a recognized stock exchange, i.e., from taxable securities transactions, the assessee shall get deduction equal to the securities transaction tax paid in the course of his business.

B.2 Non-resident shareholders – Non Resident Indians

In addition to clauses 1 to 10 mentioned under sub-heading B.1 above the following clauses are applicable to NRIs:-

1. Non Resident Indians (as defined in Section 115C (e) of the IT Act) being shareholders of an Indian Company, have the option of being governed by the provisions of Chapter XII-A of the IT Act, which inter alia, entitles them to the following benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange.

   - As per the provisions of Section 115E of the IT Act, and subject to the conditions specified therein, long term capital gains arising on the transfer of company's shares will be charged to income tax @ 10% (plus applicable surcharge and education cess) [in case it is not covered under section 10(38)]. In computing the above gains the benefit of indexation is not allowed, however the non residents have been provided with a protection against foreign exchange fluctuation under the first proviso to section 48 of the Act. The above mentioned rate is however subjected to any beneficial rate available as per the DTAA entered with the country of residence of such NRI.

   - As per the provisions of Section 115F of the IT Act and subject to the fulfillment of the conditions specified therein, the Long Term Capital Gains [not covered under section 10(38)] arising on the transfer of Company's shares shall be exempted from income tax entirely / proportionately if all or a portion of the net consideration is invested within 6 months of the date of transfer in specified asset as defined in section 115C(f) or any savings certificates referred to in section 10(4B) of the IT Act. The amount so exempted shall, however, be chargeable to tax as long term capital gains under the provisions of section 115F(2) if the specified assets are transferred or converted in to money within 3 years from the date of acquisition as specified in the said section.

- As per the provisions of Section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under Section 139(1) of the Act, if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

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

- As per the provisions of Section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

B. 3 Non-resident shareholders – Foreign Institutional Investors

1. Under Section 10(34) of the IT Act, income by way of dividend referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders. However it is pertinent to note that section 14A of the IT Act restricts claim for deduction of expenses incurred in relation to exempt income.

2. The characterization of the gains/ losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the member and various other factors.

3. (a) The long-term Capital Gains accruing to the members of the Company on sale of the Company's shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to Securities Transaction Tax, shall be exempt from tax as per provisions of Section 10(38) while computing the total income.

   (b) The short-term Capital Gains accruing to the members of the Company on sale of the Company's shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to Securities Transaction Tax, tax will be chargeable @ 15% [plus applicable surcharge and education cess] as per provisions of Section 111A. In other case, i.e. where the transaction is not subjected to STT, as per the provisions of section 115AD of the Act, the short term capital gains would be chargeable to tax @ 30% [plus applicable surcharge and education cess].

   (c) As per the provisions of Section 115AD of the Act, long term gains accruing to the members of the Company from the transfer of shares of the Company being listed in recognized stock exchanges and purchased in foreign currency, otherwise than as mentioned in point 3(a) above, shall be charged to tax @ 10% [plus applicable surcharge and education cess]. The benefit of indexation and the adjustment with respect to fluctuation in foreign exchange rate would not be allowed to such Members. The filing of return u/s 139(1) for income computed u/s 115AD is mandatory. Further, where the Gross Total Income (GTI) of the members includes any income on which tax has been paid as per special rates provided u/s 115AD, then the GTI shall be reduced by the amount of such income and deduction under chapter VIA shall be allowed in respect of reduced GTI.

   (d) The members are entitled to claim exemption in respect of tax on long term capital gains under section 54EC of the IT Act, if the amount of capital gains is invested in certain specified bonds / securities subject to the fulfillment of the conditions specified therein. The maximum investment permissible for the purposes of claiming the exemption in the above bonds by any person in a financial year is Rs. 5 million.

   However, if the Member transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become

chargeable to tax as long term capital gains in the year in which such bonds are transferred or otherwise converted into money.

4. Under the provisions of Section 90(2) of the IT Act, if the provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of residence of the non-resident are more beneficial, then the provisions of the DTAA shall be applicable.

5. Section 36(1)(xv) provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from purchase or sale of an equity share in a company carried out through a recognized stock exchange, i.e., from taxable securities transactions, the assessee shall get deduction equal to the securities transaction tax paid in the course of his business.

IV. Tax Benefits available to the shareholders under the Wealth-Tax Act, 1957

Shares of company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957. Hence no Wealth Tax will be payable on the market value of shares of the Company held by the shareholder of the Company.

V. Tax Benefits available to the shareholders under the Gift Tax Act, 1958

Gift Tax is not leviable in respect of any gifts made on or after 1st October, 1998. Therefore, any gift of shares of the company will not attract gift tax.

SECTION IV: ABOUT THE COMPANY

INDUSTRY

Unless otherwise indicated, all financial and statistical data in the following discussion is derived from websites of and publicly available documents from, various sources. The data may have been re-classified by us for the purpose of presentation.

Overview of the Indian Economy

India is the fourth largest economy in the world in terms of purchasing power parity terms, after the United States of America, China and Japan. (*Source: CIA World Factbook*) India's economy has grown at an average rate of 6.8 percent since 1998. The following chart presents a comparison of India's GDP real growth rate with the real growth rates of certain other countries.

	2003	**2004**	**2005**	**2006**	**2007**
	Percent change	Percent change	Percent change	Percent change	Percent change
Australia	3.6	2.8	3.5	2.6	2.8
Brazil	1.0	0.1	5.1	2.4	3.1
China	8.0	9.1	9.1	9.3	10.5
India	**4.3**	**7.6**	**6.2**	**7.6**	**8.5**
Japan	-0.3	2.3	2.9	2.4	2.8
South Korea	6.2	2.8	4.6	3.9	5.1
Malaysia	4.2	4.9	7.1	5.2	5.5
Russia	4.2	7.3	6.7	5.9	6.6
UK	1.6	2.1	3.2	1.7	2.6
USA	2.5	3.1	4.4	3.5	3.4

(Source: CIA World Factbook)

The Indian economy is based in part on planning through successive five year plans ("Plans") that set out targets for economic development in various sectors. According to the Integrated Energy Policy ("IEP") issued by the Government of India (the "GoI"), GDP growth rates of 8.0 percent to 9.0 percent have been projected during the 11th Plan. *(Source: The Working Group on Power 11th Plan, February 2007).*

Overview of the Indian Energy Sector

Availability of and access to energy are considered to be catalysts for economic growth. Over half of India's population does not currently have access to electricity or any other form of commercial energy, even though India is both a major energy producer and a consumer. India currently ranks as the world's seventh largest energy producer, accounting for approximately 2.4 percent of the world's total annual energy production. It is also the world's fifth largest energy consumer, accounting for approximately 3.4 percent of the world's total annual energy consumption in 2004.

Trends in Demand and Supply of Primary Energy

(All in Mtoe#)

	1960–61	1970–71	1980–81	1990–91	2000–01	2006–07	2011–12*
Domestic production of commercial energy	36.78	47.67	75.19	150.01	207.08	259.56	435
Net imports	6.04	12.66	24.63	31.07	89.03	131.97	111
Total commercial energy	42.82	60.33	99.82	181.08	296.11	391.53	546
Non-commercial energy	74.38	86.72	108.48	122.07	136.64	147.56	169
Total primary energy demand	117.20	147.05	208.30	303.15	432.75	539.09	715

Note: # Mtoe = million tonne of oil equivalent.

* Projected requirement at the end of the Eleventh Plan is as per the Report of the EC on Integrated Energy Policy and projection of domestic supply is as per the Working Group Reports. Import requirement is the difference between projected requirement and domestic supply projections.

(i) Domestic production of commercial energy includes coal, lignite, oil, natural gas, hydro power, nuclear power, and wind power.

(ii) Net imports include coal, oil, and LNG imports.

While total primary energy requirements in India registered an average annual growth rate of 3.6 percent between 1990–91 and 2006–07, the primary commercial energy requirement registered an average annual growth rate of 4.9 percent during the same period. India's dependence on imports is growing. It is necessary to

eliminate energy supply shortages and increase the availability of commercial energy resources if India is to sustain the projected 9.0 percent economic growth from 2007 to 2011. (*Source: Planning Commission, GoI.*)
Economic Growth in West Bengal

West Bengal achieved an average annual growth rate of 7.5 percent in its state domestic product (at constant prices) from 2003 to 2007, with an annual growth rate showing a rising trend, with 8.0 percent in 2005-06 and 8.2 percent in 2006-07. Per capita income in West Bengal also increased at an average annual rate of 5.4 percent from 2003 to 2007. (*Source: West Bengal 11th Five Year Plan.*)

The industrial production index (base: 1993-94 = 100) in West Bengal has risen from 154.8 in 2003-04 to 198.7 in 2006-07. In 2005-06 and 2006-07, the production indices grew by 12.1 percent and 8.4 percent respectively over the corresponding previous years. Within the industrial sector, while mining and electricity show growth, the rate of growth of the manufacturing sector has been greater. This has also been reflected in the contribution of this sector to the net state domestic product. The percentage contribution of the manufacturing sector to overall growth in the economy in West Bengal was 9.9 percent in 2006-07.

Index of Industrial Production (Base : 1993-94=100)

(Average of April-March)

Sector	2003-04	2004-05	2005-06	2006-07(P)
Mining	127.5	141.1	148.0	149.0
Manufacturing	151.4	159.7	179.9	196.0
Electricity	201.2	212.5	233.0	237.1
General	154.8	163.5	183.3	198.7
Growth over the previous year (per cent)				
Mining	6.2	10.7	4.9	0.7
Manufacturing	6.5	5.5	12.6	9.0
Electricity	8.1	5.6	9.6	1.8
General	6.6	5.6	12.1	8.4

P=Provisional.
Source : Bureau of Applied Economics & Statistics, Govt. of West Bengal.

In 2006, 517 investment proposals with an estimated total investment of Rs. 431,502 million were received in the state of West Bengal, while 445 investment proposals with a total investment of Rs. 177,021 million were received in 2005, 467 investment proposals with a total investment of Rs. 76,718 million were received in 2004, 485 investment proposals with a total investment of Rs. 67,730 million were received in 2003 and 337 investment proposals entailing a total investment of Rs. 46,598 million were received in 2002. This indicates that West Bengal is attracting and facilitating prospective long term investment. The ratio of investment proposals received to projects implemented during the period August, 1991-December, 2006 for the state was 32.8 per cent, while the national average was 10.2 per cent.

According to a recent study by ASSOCHAM Investment Meter, West Bengal received the largest number of investment proposals among all states in India in the third quarter of the financial year 2007-08. Of the total investment in West Bengal, the largest portion is in the steel and power sectors. The largest potential investor in West Bengal is the Steel Authority of India, which announced plans to invest Rs. 200,000 million in Kulti, Burnpur and Durgapur to increase its steel production capacity. It was followed by Larsen and Turbo Power Development which announced a plan of Rs. 200,000 million in Haldia for increasing its power generation capacity in Haldia. (*Source: Government of West Bengal Economic Review, 2007-2008*)

Ten Most Favoured States for Investment

Sl. No.	State	Prominent Sectors	Investment (in Rs. crore)
1	West Bengal	Steel, Power, Oil & Petroleum	1,27,302
2	Orissa	Metal & Mines, Steel, Power, Cement	53,997
3	Maharashtra	Oil & Petroleum, Port, Real Estate	47,393
4	Tamil Nadu	Power, Steel, IT	25,195
5	Andhra Pradesh	Telecommunication, IT, Energy	22,266
6	Karnataka	Cement, Power, Textiles	21,660
7	Jharkhand	Steel, Metal & Mines	18,783
8	Madhya Pradesh	Cement	13,087.6
9	Haryana	Automobile	8,404.5
10	Gujarat	Machinery, Textile, Hospitality	6,481.6

Source: ASSOCHAM Investment Meter for October-December,2007.

Worldwide Natural Gas Market

The following discussion on the worldwide natural gas market is based on the International Energy Outlook, 2008 published by the Energy Information Administration.

Natural gas remains a key energy source for industrial sector uses and electricity generation. The industrial sector, which is the world's largest consumer of natural gas, is expected to account for 43.0 percent of natural gas use in 2030. In the electric power sector, natural gas provides an alternative for new generating plants because of its relative fuel efficiency and low carbon dioxide intensity. Electricity generation is expected to account for 35.0 percent of the world's total natural gas consumption in 2030.

Countries in the Organization of Economic Co-Operation and Development ("OECD") accounted for 38.0 percent of the world's total natural gas production and 50.0 percent of natural gas consumption in 2005; in 2030, they are projected to account for 27.0 percent of production and 42.0 percent of consumption. As a result, OECD countries are projected to rely increasingly on imports to meet natural gas demand, with a growing percentage of natural gas imports coming in the form of LNG.

World Natural Gas Demand

Natural gas consumption in North America is projected to increase at an average annual rate of 0.6 percent from 2005 to 2030. For the United States the average annual increase is 0.1 percent, significantly lower than for Canada and Mexico, largely because higher natural gas prices in the U.S. market are expected to dampen the use of natural gas for electricity generation. As North America's largest user of natural gas, the United States accounted for 81.0 percent of the 27.4 tcf consumed in North America in 2005. In 2030 the U.S. share is projected to fall to 72.0 percent, reflecting relatively slow growth in U.S. demand and robust growth in Canada and Mexico.

In Europe, natural gas consumption among OECD countries is projected to grow by an average of 1.4 percent per year, from 19.3 tcf in 2005 to 22.8 tcf in 2015 and 27.2 tcf in 2030, mostly as a result of increasing use for power generation. Many of the OECD countries in Europe have made commitments to reduce carbon dioxide emissions, bolstering the incentive for governments to encourage the use of natural gas in place of other fossil fuels. Natural-gas-fired generation in the region is projected to increase by 3.9 percent per year, from 0.7 trillion kilowatt hours in 2005 to 1.2 trillion kilowatt hours in 2015 and then to 1.9 trillion kilowatt hours in 2030.

Natural gas consumption in non-OECD Europe is projected to grow at an average annual rate of 1.1 percent until 2030. This increase in natural gas consumption accounts for 45 percent of the total increase in energy consumption in non-OECD Europe and Eurasia from 2005 to 2030.

Countries in Asia which are not members of OECD accounted for only 9.0 percent of the world's total consumption of natural gas in 2005, and are projected to account for 33.0 percent of the total increase in world natural gas consumption from 2005 to 2030. Natural gas consumption in these countries is projected to grow from 9.3 tcf in 2005 to 27.4 tcf in 2030, expanding by 4.4 percent per year on average over the projection period.

In both China and India, natural gas is currently a minor fuel in the overall energy mix, representing only 3.0 percent and 8.0 percent, respectively, of total primary energy consumption in 2005. Both countries' natural gas consumption is projected to rise, growing by 5.5 percent per year in China and 4.6 percent per year in India on average from 2005 to 2030, as LNG imports and new domestic production help the two countries meet continued demand growth.

Natural gas consumption is projected to grow at average annual rates of 1.9 percent in the Middle East and 3.5 percent in Africa from 2005 to 2030. In Central and South America, natural gas demand is projected to increase on average by 2.8 percent per year, from 4.4 tcf in 2005 to 8.7 tcf in 2030.

World Natural Gas Supply

Countries which are not members of OECD are projected to account for 90.0 percent of the world's total increase in natural gas production from 2005 to 2030. Natural gas production is projected to grow in these countries by an average 2.5 percent per year, from 63 tcf in 2005 to 116 tcf in 2030. Over the same period, production in countries which are members of OECD is projected to grow by 0.3 percent per year, from 39 tcf to 42 tcf.

China and India are projected to almost double their production volumes from 2005 to 2015, bringing production from India's Krishna Godavari Basin and China's Sichuan province, as well as from smaller projects, to the market. In 2005, net exports accounted for 17 percent of total production in Asian countries which are not members of OECD, down from 30 percent in 1995. As increases in production continue to be outpaced by consumption growth, these countries are projected to become net importers of natural gas after 2015.

In European countries which are not members of OECD, natural gas production is projected to grow from 29.3 tcf in 2005 to 36.1 tcf in 2015 and 43.0 tcf in 2030. Production increases are projected to outpace growth in natural gas demand in these countries.

The table below shows worldwide natural gas production since 2000:

(tcf)							
Region	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**P2006**
North America	26.966	27.515	26.893	26.953	26.538	26.134	26.765
Central and South America	3.430	3.655	3.670	4.069	4.541	4.863	5.053
Europe	10.982	11.099	11.405	11.477	11.892	11.418	11.195
Eurasia	25.426	25.654	26.256	27.254	28.157	28.790	29.460
Middle East	7.570	7.984	8.706	9.184	9.946	11.205	11.952
Africa	4.440	4.628	4.682	5.107	5.289	6.108	6.591
Asia and Oceania	9.603	10.024	10.719	11.473	12.172	13.004	12.962
World Total	**88.416**	**90.558**	**92.332**	**95.516**	**98.534**	**101.522**	**103.977**

P = Preliminary data.

(*Source: Energy Information Administration, Office of Energy Markets and End Use, International Energy Statistics Team.)*

The table below shows worldwide natural gas consumption since 2000:

(tcf)							
Region	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**P2006**
North America	27.723	26.756	27.693	27.290	27.443	27.186	27.160
Central and South America	3.304	3.537	3.505	3.685	4.077	4.401	4.513
Europe	17.394	17.979	18.191	19.227	19.975	20.375	20.284
Eurasia	20.532	20.824	21.301	22.516	23.644	24.227	24.298
Middle East	6.822	7.052	7.662	7.991	8.604	9.768	10.268
Africa	2.038	2.284	2.365	2.576	2.630	2.955	2.947
Asia and Oceania	10.543	11.138	12.056	12.726	13.674	14.588	14.956
World Total	**88.356**	**89.571**	**92.774**	**96.012**	**100.047**	**103.500**	**104.425**

P = Preliminary data.

(*Source: Energy Information Administration, Office of Energy Markets and End Use, International Energy Statistics Team.)*

The table below shows projected worldwide natural gas consumption until 2020:

Region			**(tcf)**
	2010	**2015**	**2020**
OECD			
OECD North America	28.9	30.0	30.6
OECD Europe	20.7	22.8	24.7
OECD Asia	5.8	6.4	6.6
Total OECD	55.4	59.2	61.9
Non-OECD			

Non-OECD Europe and Eurasia	27.3	29.2	30.9
Non-OECD Asia	12.6	16.8	21.2
Middle East	11.2	12.8	14.2
Africa	3.6	4.5	5.6
Central and South America	5.6	6.7	7.4
Total Non-OECD	60.3	70.0	79.1
Total World	**115.7**	**129.2**	**141.1**

(Source: Energy Information Administration, Office of Energy Markets and End Use, International Energy Statistics Team.)

The table below shows worldwide natural gas proved reserves as of the end of 2007.

(tcf)	
Country	**2008**
North America	281.648
Central & South America	272.841
Europe	207.654
Eurasia	1,844.676
Middle East	2,585.351
Africa	514.923
Asia & Oceania	510.687
World Total	**6,257.78**

(*Source: Energy Information Administration, Office of Energy Markets and End Use, International Energy Statistics Team.)*

Natural Gas in India

According to a report from the MoPNG entitled "India Hydrocarbon Vision 2025", the MoPNG estimates gas to supply the following percentages of total overall energy in India:

Year	Coal	Oil	Gas	Other
2006-2007	50.0	32.0	15.0	3.0
2010-2011	53.0	30.0	14.0	3.0
2024-2025	50.0	25.0	20.0	5.0

In 2007, India had 37.26 tcf of proved natural gas reserves. In the same year, India produced 30.2 bcm of natural gas and consumed 40.2 bcm of natural gas. (*Source: www.BP.com)*

The GoI has adopted a multi-pronged strategy to augment gas supplies in India and bridge the gap between supply and demand in the domestic market. The strategy includes:

a) Increasing domestic exploration and production activities;

b) Exploiting of unconventional sources like CBM;

c) Underground coal gasification;

d) Implementing the Natural Gas Hydrate Programme to evaluate hydrate resources and their possible commercial exploitation;

e) Importing LNG

f) Gas sourcing through transnational gas pipelines.

(*Source: MOPNG, Infraline*)

According to the GoI, in view of the current deficit in availability of natural gas in India, as a general principle, the first priority in access to natural gas should be given to existing fertilizer plants, as described below, to ensure utilization of supply already available and to obtain faster monetization of natural gas. Secondly, wherever possible, liquid fuels in energy-intensive industries should be replaced by natural gas as soon as possible for environmental and economic reasons. All such existing plants should be ready to take natural gas as soon as it is available. The following priority order for existing plants is proposed:

1. *Fertilizer Plants*

Existing fertilizer (urea) plants should be accorded first priority. It has been established that natural gas is the ideal feedstock for the production of urea. Currently there are 22 fertilizer plants in India with the ability to use natural gas. The combined production capacity of these plants is 16.6 mmtpa. Due to a shortfall in gas availability in India, these plants use more expensive fuels like naphtha and fuel oil (thermal equivalent prices of $22 /mmbtu and $12/mmbtu, respectively). The current supply to these plants is approximately 30.2 mmscmd, and the current demand is 39.4 mmscmd, resulting in a shortfall of 9.2 mmscmd.

2. *LPG and Petrochemical Plants*

Approximately 25.0 percent of India's LPG demand is met by imports. This is expected to increase because of rising demand and flat domestic production levels.

3. *Power Plants*

The total power generation capacity in India is approximately 140,000 MW, out of which gas-based generation capacity is 12,589 MW, accounting for 9.0 percent of the total production. Recently, several gas-based power plants have come online in India. Some of these plants are either lying idle or are using expensive alternative fuels because of the limited availability of natural gas.

4. *Distribution of Gas in Cities*

Using gas as a clean and inexpensive fuel for domestic use has attracted urban dwellers. Currently, piped natural gas ("PNG") is supplied to 790,000 domestic households mainly as cooking fuel (as a substitute for LPG), 1,289 commercial customers and 74 industrial customers. Also, there are 409 CNG stations set up in India. Presently India has 12 cities with populations greater than 2,500,000. The GoI proposes that all cities with a population of more than 2,500,000 will be connected within three years. Further, cities with a population between 1,000,000 and 2,500,000 will be covered in a phased manner.

5. *Refineries*

Refineries need to be accorded priority on account of the following:

- Refineries are presently using costly alternatives such as crude oil and fuel oil for processing, and burning naphtha for hydrogen production.
- Refineries fully meet the demand of petroleum products in the economy.
- Expansion of refineries is constrained by environmental concerns. Using gas in refineries would help in meeting the environmental norms and capacity expansion needs.
- Using gas would reduce losses at refineries, resulting in savings in GoI subsidies.

6. *Other Industries*

Existing industries which use natural gas will be given priority over greenfield projects in other sectors.

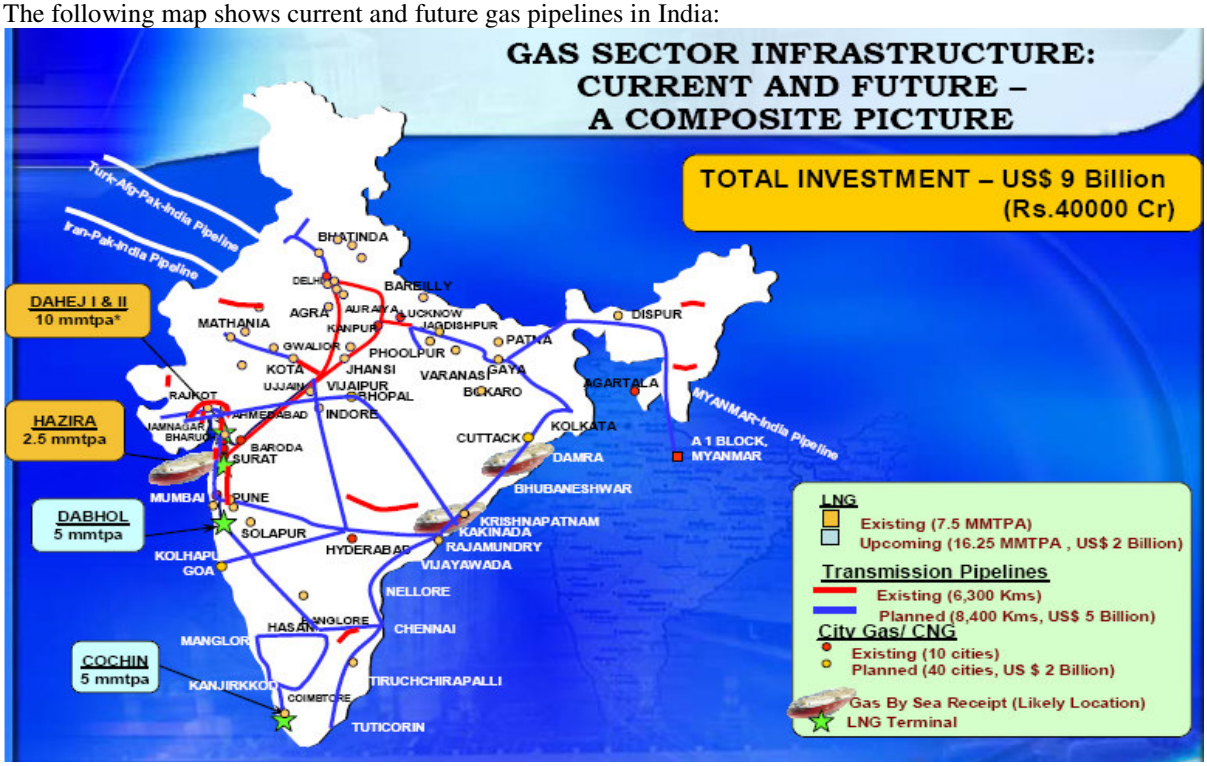
(*Source: Infraline Energy Research)*

Pipeline Distribution Network

The Gas Authority of India Limited ("GAIL") plans to build 5,000 km of pipelines in the next five years. The major pipelines planned are:

- the Jagdishpur-Haldia pipeline,
- the Dabhol-Bangalore pipeline,
- the Dadri-Nangal pipeline,
- the Kochi-Mangalore-Bangalore pipeline, and
- the Chainsa-Gurgaon-Hissar pipeline.

The following map shows current and future gas pipelines in India:



(*Source: Report of the Working Group on Petroleum and Natural Gas for the XI Plan (2007 – 2012), MoPNG, November 2006*)

Coal Bed Methane

CBM is a gas which is created during the formation of coal and is trapped within a coal seam by adsorption. CBM is chemically identical to other sources of natural gas. CBM is generally more than 95.0 percent methane and is often marketed as being "green" as it contains no sulphur compounds such as hydrogen sulphide. CBM projects follow a multi-phase development process.

Formation of Coal

Coal is formed from vegetated detritus that has decayed, been compacted, hardened, chemically altered and metamorphosed by heat and pressure over time, in a process known as coalification. Coalification starts when biomass is deposited in swamp ecosystems with anaerobic aquatic environments. Low oxygen levels prevent complete decay by bacteria and oxidation. In order to form economically viable coal deposits, large volumes of undecayed organic matter must be preserved in an environment which remains steady for prolonged periods of time. The waters feeding the swamps must remain essentially free of sediment. This requires minimal erosion in the uplands of the tributary rivers and efficient trapping of the sediments elsewhere.

A distinct upper contact with the overlying sediments is found in most coal seams, which indicates that the onset of further sediment deposition quickly destroyed the swamp ecosystem and replaced it with meandering stream and river environments during ongoing subsidence.

Formation of Methane in Coal

Methane gas is a component of coal, produced either by biogenic (by microbes) or thermogenic (by heat) routes. The methane produced during these processes is adsorped (the chemical binding of a gas onto the surface of a solid) onto the surface of the coal and is held in place by the pressure of the water contained within the coal. Should the water pressure drop, the methane desorbs from the coal surface and is liberated from the coal.

Underground coal is subjected to compression by overlying rock (known as overburden). This results in fractures known as cleats within the coal. The cleats are formed by both tectonic stress and compaction during digenesis. These cleats form an interconnected fracture network and this allows water and gas to flow through the coal. However, CBM companies frequently use fracturing techniques to increase the permeability of the coal and increase flow rates.

Characteristics of Coal Suitable for CBM Production

Characteristics of coal suitable for CBM production include:

- gas content,
- permeability,
- depth and thickness, and
- coal rank.

CBM Project Development

CBM projects generally follow a multi-phase development process. CBM projects typically go through the following stages of development:

- geological and other related studies;
- core hole, exploration and other related tests and studies;
- pilot project;
- phased development for production and distribution; and
- abandonment upon the end of the license period or upon depletion of the site's resources.

The location of coal reserves is well known. However, not all of these reserves are suitable for CBM development. A company will undertake an exploration program to identify coal reserves suitable for development. The company will drill a series of core wells to obtain samples of coal which will then be tested. This program should identify an area of coal that can economically produce CBM.

A full geology and geophysical analysis of the core samples will then be undertaken. This will test for coal quality, gas content, seam thickness and other factors. If the results are positive then the project will move onto the pilot stage.

The key objective for the pilot project is to test that a coal section can produce CBM economically. Production wells are drilled over a limited area of the prospect. The performance of the wells will be used to build an initial estimated production model and this model will determine the well spacing and therefore the number of wells required for full development. The pilot project also provides an opportunity to test techniques and technology. At this stage an initial reserve certification may occur. This certification can assist gas marketing activities and also help the company to secure additional capital.

Following a successful pilot project a full development of the project will start. This will normally occur in a number of stages, with each stage aiming to increase production. The phased approach also allows the company to generate revenues prior to capital expenditure in the next stage.

Once the economic production limit of CBM of the field is reached, it will then be abandoned for CBM purposes. The energy content of the coal is not adversely affected by CBM production as most of the methane is lost during mining and pulverization.

Drilling

Unlike conventional gas, which is found at depths of up to 7,000 meters, CBM is typically found at depths of up to 1,350 meters. These shallower depths make it possible to use smaller, more mobile, truck-mounted drilling rigs compared with those used for conventional gas wells. These types of rigs have much lower costs and therefore improve the project economics.

A majority of projects use vertical drilling to develop fields. These wells are drilled down and through the seam (sometimes multiple seams are penetrated if this is deemed economic). Each well has an effective radius of gas drainage. Therefore, it is important to eventually model the well spacing to ensure that the optimal volume of gas can be accessed. It is typical for a CBM project to require hundreds of vertical wells to be drilled over its lifetime.

Hydraulic Fracturing

Hydraulic fracturing (more commonly known as “fraccing”) is the technique used to increase the surface area of the coal. The fluid systems and additives used in conventional wells are generally not suitable for CBM wells. This is because coal seam reservoirs have unique properties and therefore specially developed materials need to be used.

Fluids such as water, foams and cross-linked polymers are pumped into the seam at high pressure. This causes the seam’s internal pressure to increase, resulting in an increase in the aperature of the cleats and the induction of a new or secondary fracture system. Consequently, the interconnected fracture network increases, making the coal more permeable resulting in increased gas flow rates and overall recovery factor.

Well Completion

CBM wells can utilize conventional methods of casing, cementing and perforating. However, care must be taken when casing is set and cemented across the coal seams in order to avoid permeability damage to the cleat network. Cleats are often wide enough to accept cement slurry, not just cement filtrate. Any damage caused by the slurry to the connection between the well bore and the reservoir may reduce the effectiveness of perforation and stimulation.

In-field Gas Gathering

The gas produced by a CBM well is often at low pressure. This is a key area where companies have used innovative technology to lower costs. As the gas is low in pressure, there is no need to use high pressure steel pipelines. Instead, plastic pipes can be used to transport the gas to the compressor. Once compressed, the gas enters a high pressure pipeline before being sent to market.

Environmental hazards in the production of CBM

CBM development could result in a number of environmental problems and health hazards certain of which are described below:

Disposal of water removed from CBM wells:

Water pressure holds methane in the coal bed. To release methane, this pressure must be reduced by removing water from the coal beds. As in the initial years, CBM wells mostly produce water, a large quantity of water needs to be disposed. The water thus extracted is usually discharged on the surface, injected into aquifers or used in ongoing drilling operations.

CBM in India

India has the third largest proven coal reserves and is the fourth largest coal producer in the world. Prior to 1997, due to the absence of a comprehensive CBM policy including administrative, fiscal and legal aspects, CBM exploration and production activities were limited to research and development only. It was only after the formulation of the CBM Policy for Exploration and Production by the GoI in July 1997 that CBM exploration activity commenced in India. The MoPNG became the administrative ministry and the DGH became the implementing agency for the GoI's CBM policy. (*Source: www.dghindia.com*)

In 1997, the Ministry of Petroleum and Natural Gas ("MoPNG") was made the administrative ministry for CBM, and the DGH was nominated as the nodal agency for promoting its development in the country. (Source: U.S. Department of Energy,

The bids for CBM blocks are evaluated on technical, financial and other parameters. The weight given for each parameter is as follows:

Parameter	Weighted on scale of 100 points
Technical capability	20
Work program	45
Fiscal package	35

(Source: Notice Inviting Offers for Exploration and Production of Coalbed Methane, MoPNG 2006)

Under licenses granted by the MoPNG, CBM blocks are developed in four phases:

Phase I	Three years for exploration
Phase II	Five to seven years pilot assessment
Phase III	Five years development phase
Phase IV	25 years production phase

(Source: Notice Inviting Offers for Exploration and Production of Coalbed Methane, MoPNG 2006)

Contractual and Fiscal Terms

Production Sharing Contracts for CBM in India

Companies intending to produce CBM in India must enter into production sharing contracts with the GoI. Some of the notable aspects of these contracts are as follows:

- No upfront payment required.
- No participating interest of the GoI.
- Award of blocks through open international competitive bidding.
- Provision for bidding for more than one block (preferably, in contiguous blocks).
- Royalty at the rate of 10.0 percent payable to the relevant state government on the value of CBM in accordance with the Oilfields (Regulation and Development) Act, 1948 and the Rules framed thereunder.
- Ad-valorem biddable production level payment, payable to the GoI on every incremental production of 0.5 million standard cubic meters per day ("MMSCMD") or part thereof, over a base production level of 1.0 MMSCMD.
- Freedom to market gas in domestic market at market determined prices.
- Fiscal stability provision during the entire period of contract.
- No customs duty on imported equipment required for CBM operations.
- Arbitration provisions to be governed by the Arbitration and Conciliation Act, 1996, which is based on UNCITRAL provisions.

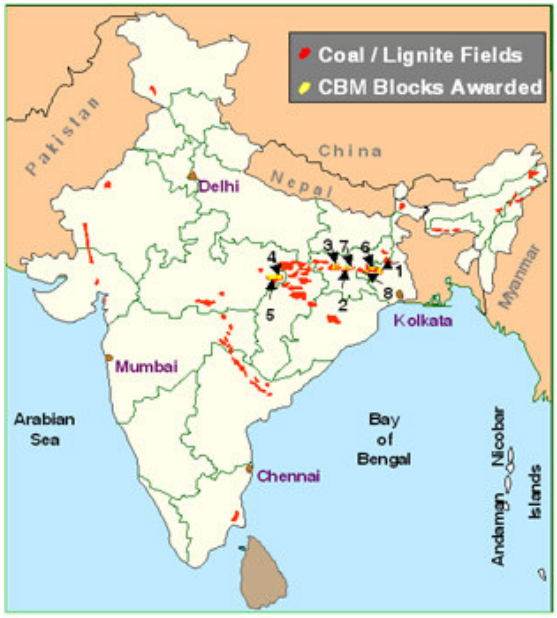
- One-time lump sum commercial bonus of US$ 300,000 by foreign companies or an equivalent amount in Indian Rupees by Indian Companies, after an assessment of commercial potential.

- Corporate income-tax payable as per the Income-tax Act, 1961

(*Source: www.dghindia.org/site/dgh_e_p_reports.aspx*)

The following information on CBM blocks in India is derived from the DGH report on CBM Exploration, available at www.dghindia.com. The GoI has made CBM blocks available in three rounds, including:
CBM-I:

In May 2001, for the first time, the GoI offered seven blocks in the first round of CBM bidding, out of which five blocks were awarded and contracts signed. Contracts for another three blocks awarded on nomination basis were also executed.

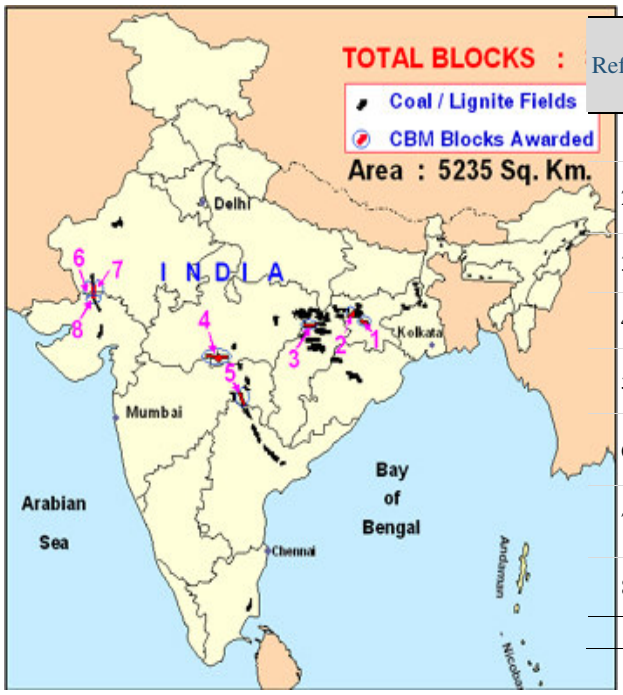


Ref.No	Block Name	State	Area (Sq.km.)
1	RG(E)-CBM-2001/I	West Bengal	500
2	BK-CBM-2001/I	Jharkhand	95
3	NK-CBM-2001/I	Jharkhand	340
4	SP(E)-CBM-2001/I	Madhya Pradesh	495
5	SP(W)-CBM-2001/I	Madhya Pradesh	500
6	RANIGANJ (NORTH)	West Bengal	350
7	JHARIA	Jharkhand	85
8	RANIGANJ (SOUTH)	West Bengal	210
		TOTAL :	2575

(*Source: www.dghindia.com*)

CBM-II:

Under the second round of CBM bidding, nine blocks were offered through international competitive bidding in May 2003. A total of 14 bids were received for eight of the nine blocks offered. Contracts for these eight blocks were signed in June 2004.

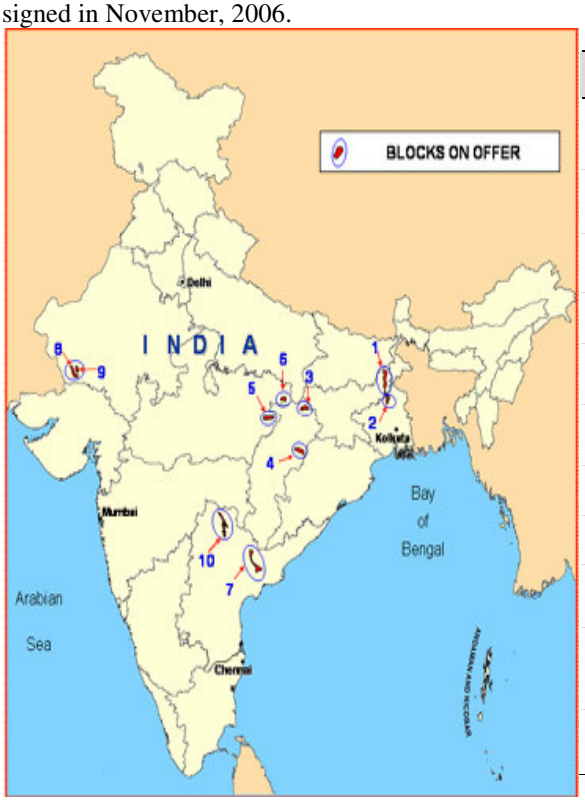


Ref.No	Block Name	State	Area (Sq.km.)
1	SK-CBM-2003/II	Jharkhand	70
2	NK(W)-CBM-2003/II	Jharkhand	267
3	SH(N)-CBM-2003/II	Chattisgarh	825
4	ST-CBM-2003/II	Madhya Pradesh	714
5	WD-CBM-2003/II	Maharashtra	503
6	BS(1)-CBM-2003/II	Rajasthan	1045
7	BS(2)-CBM-2003/II	Rajasthan	1020
8	BS(3)-CBM-2003/II	Gujarat	790
		TOTAL :	5234

(*Source: www.dghindia.org*)

CBM-III:

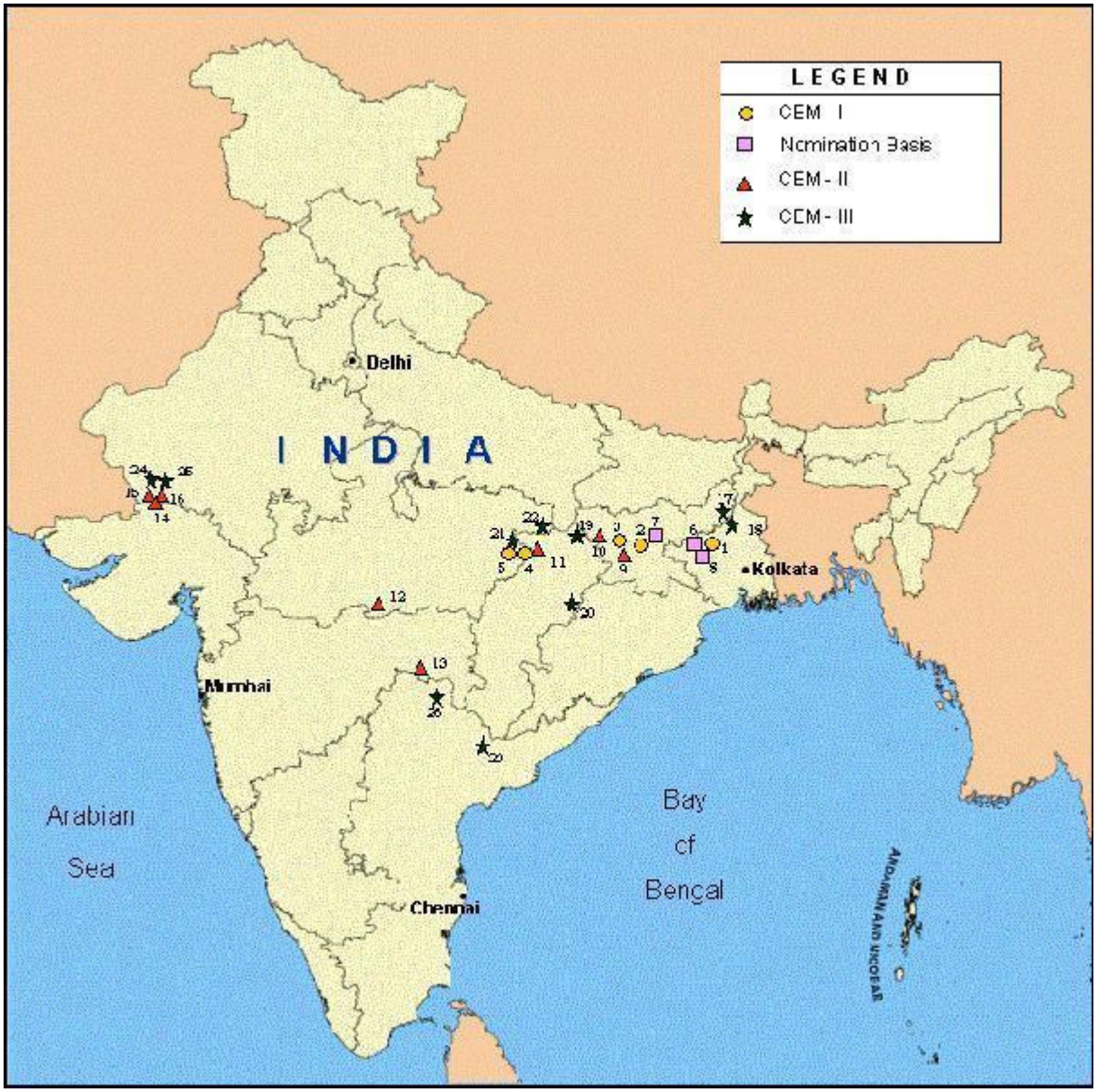
International competitive bids were solicited by the GoI for 10 CBM blocks under the third round of CBM bidding in 2006. For the first time, foreign companies participated in the CBM-III bidding round. A total of 54 bids were received for the 10 blocks, from 26 companies including eight foreign and 18 Indian companies. Each of the 10 blocks received multiple bids. The blocks were allotted amongst four companies or consortiums, with some companies or consortiums receiving more than one block. Contracts for these 10 awarded blocks were signed in November, 2006.



Ref.No	Block Name	State	Area (Sq.km.)
1	RM-CBM-2005/III	Jharkhand	469
2	BB-CBM-2005/III	West Bengal	248
3	TR-CBM-2005/III	Chattisgarh	458
4	MR-CBM-2005/III	Chattisgarh	634
5	SP(N)-CBM-2005/III	Madhya Pradesh	609
6	SR-CBM-2005/III	Madhya Pradesh	330
7	KG(E)-CBM-2005/III	Andhra Pradesh	750
8	BS(4)-CBM-2005/III	Rajasthan	1168
9	BS(5)-CBM-2005/III	Rajasthan	739
10	GV(N)-CBM-2005/III	Andhra Pradesh	386
		TOTAL :	5791

(*Source: www.dghindia.org*)

MAP SHOWING CBM BLOCKS AWARDED SO FAR



(*Source: www.dghindia.org*)

CBM BLOCKS AWARDED THROUGH SEPTEMBER 30, 2008				
Ref. No on the Map	**Block Name**	**State**	**Area (Sq.km.)**	**Awardee**
I. CBM-I				
1	RG(E)-CBM-2001/I	West Bengal	500	EOL
2	BK-CBM-2001/I	Jharkhand	95	ONGC-IOC
3	NK-CBM-2001/I	Jharkhand	340	ONGC-IOC
4	SP(E)-CBM-2001/I	Madhya Pradesh	495	RIL
5	SP(W)-CBM-2001/I	Madhya Pradesh	500	RIL
TOTAL (A)			**1930**	
II. Nomination Basis				

6	RANIGANJ (NORTH)	West Bengal	350	ONGC-CIL
7	JHARIA	Jharkhand	85	ONGC-CIL
8	RANIGANJ (SOUTH)	West Bengal	210	GEECL
TOTAL (B)			**645**	
III. CBM-II				
9	SK-CBM-2003/II	Jharkhand	70	ONGC
10	NK(W)-CBM-2003/II	Jharkhand	267	ONGC
11	SH(N)-CBM-2003/II	Chattisgarh	825	RIL
12	ST-CBM-2003/II	Madhya Pradesh	714	ONGC
13	WD-CBM-2003/II	Maharashtra	503	ONGC
14	BS(3)-CBM-2003/II	Gujarat	790	ONGC-GSPCL
15	BS(1)-CBM-2003/II	Rajasthan	1045	RIL
16	BS(2)-CBM-2003/II	Rajasthan	1020	RIL
TOTAL (C)			**5234**	
IV. CBM-III				
17	RM-CBM-2005/III	Jharkhand	469	ARROW-GAIL-EIG-TATA
18	BB-CBM-2005/III	West Bengal	248	BPE
19	TR-CBM-2005/III	Chattisgarh	458	ARROW-GAIL-EIG-TATA
20	MR-CBM-2005/III	Chattisgarh	634	ARROW-GAIL-EIG
21	SP(N)-CBM-2005/III	Madhya Pradesh	609	REL-RNRL-GEO
22	SR-CBM-2005/III	Madhya Pradesh	330	COALGAS-DIL
23	KG(E)-CBM-2005/III	Andhra Pradesh	750	REL-RNRL-GEO
24	BS(4)-CBM-2005/III	Rajasthan	1168	REL-RNRL-GEO
25	BS(5)-CBM-2005/III	Rajasthan	739	REL-RNRL-GEO
26	GV(N)-CBM-2005/III	Andhra Pradesh	386	COALGAS-DIL-ADINATH
TOTAL (D)			**5791**	
GRAND TOTAL (A + B + C + D)			**13600**	

	Definitions		
ONGC	Oil and Natural Gas Corporation Ltd	ARROW	Arrow Energy India Pvt. Ltd.
IOC	Indian Oil Corporation Ltd	RNRL	Reliance Natural Resources Ltd.
GSPCL	Gujarat State Petroleum Corporation Ltd.	GEO	Geopetrol International Inc.
RIL	Reliance Industries Ltd.	REL	Reliance Energy Ltd.
EOL	Essar Oil Ltd.	TATA	Tata Power Company Ltd.
CIL	Cola India Ltd.	EIG	EIG Energy Infrastructure Group AB
GEECL	Great Eastern Energy Corporation Ltd.	DIL	Deep Industries Ltd.
GAIL	GAIL (India) Ltd.	COALGAS	Coalgas Mart LLC.
BPE	BP Exploration Alpha Ltd.	ADINATH	Adinath Exim Resources Ltd.

(*Source: www.dghindia.org*)

OUR BUSINESS

Overview

We are a natural gas company based in India focused on the exploration, development, production, distribution and sale of natural gas from coal seams, commonly known as CBM. We produce CBM from our Block in Raniganj, West Bengal, which spans an aggregate area of 210 square kilometers and has an estimated 1.92 tcf of gas-in-place, with low, best and high estimates of contingent gas resources of 373.8, 1,356.5 and 1,778.1 mmcf, respectively and low, best and high estimates of prospective gas resources of 33,330.8, 88,754.4 and 238,972.4 mmcf, respectively, according to a report issued by NSAI on June 1, 2007.

In May 2001, the GoI made seven CBM blocks available through bidding and by nomination. We received our Block by nomination. We entered into a production sharing contract (the "PSC") with the MoPNG in May 2001, received our petroleum exploration licenses (the "PEL") from the West Bengal Government in September 2001 and executed the formal deed for our PEL in November 2001. Collectively, the PEL and the PSC give us the sole right to carry out CBM operations on our Block until 2036. Under the terms of the PSC, we have permission to exploit, develop and produce CBM on our Block for a period of 35 years. The first three years were designated as the pilot assessment phase in which we accessed geological data, drilled core holes and drilled three pilot wells. The next two years consisted of the market survey and commitment phase in which we engaged MECON to prepare a market feasibility report for our Block. Upon completion of the pilot assessment and market survey and commitment phases, and as per the terms of the PSC, we submitted a development plan to the DGH (the "Development Plan").

Our Development Plan includes drilling 100 wells, constructing up to five gas gathering stations and laying an underground MDPE pipeline connecting the wells to the gas gathering stations. Underground steel pipelines will connect our gas gathering stations to our central gas gathering station in Asansol, West Bengal from where we intend to deliver gas through pipelines and truck mounted cascades to industrial and other customers. As of November 30, 2008, we have completed 23 wells, with 13 additional wells in various stages of completion, and have commissioned one gas gathering station. Of the 13 wells in various stages of completion, fracturing is complete at nine wells and pumps have been installed at seven wells. We have laid 29.97 km of the MDPE pipeline which connects 19 wells to the gas gathering station, and 11.34 km of the steel pipeline which will ultimately connect the gas gathering station to the central gathering station in Asansol. We have also laid 11.45 km of the steel pipeline which will connect the central gathering station to Kulti. After completing all of the 100 wells in our Development Plan, and subject to the approval of the DGH, we currently expect to continue drilling an additional 200 wells to fully develop our Block over the next eight years, as well as the construction of additional gas gathering stations and laying additional pipelines.

We are currently in the initial stages of marketing and selling a small amount of our natural gas directly to end users through truck mounted cascades. For the year ended March 31, 2008, we produced 3,595,101 Cm of CBM, and sold 213,693 Cm of CBM. We expect to complete the pipeline from our gas gathering station to our central gathering station in Asansol, West Bengal in December 2008. We plan to extend the pipeline by 57 kms from the central gas gathering station in Asansol to Durgapur and expect to finish by mid-2009, thereby expanding the market for our natural gas.

Our Competitive Strengths

We believe we have significant industry expertise and knowledge. In particular, we believe that the following competitive strengths will enable us to compete successfully in our industry:

Early mover advantage.

We believe the Government of India (the "GoI") supports the development of alternative energy sources and it has introduced policies such as tax incentives and exemption from import duties for CBM-related equipment and services to encourage the development of the CBM industry. During the first round of bidding for CBM blocks in India, we received our Block by nomination and entered into the PSC with the MoPNG in May 2001. We believe we were among the first companies to operate a CBM project in India and have accumulated significant experience in evaluating opportunities and operating CBM projects. Our experience in exploration, development and production enables us to establish realistic objectives in our current and future development

phases. We believe this experience can also help us to reduce the time and costs associated with drilling new wells.

We believe we were the first company to commercially sell CBM in India in August 2007. Our early mover advantage will allow us to be among the first companies to meet the demand for natural gas in West Bengal, and will help us to establish long-term relationships with large customers in the region.

Our Block has large coal deposits with CBM content and we have a license to operate on our Block until 2036.

Based on results from our drilling operations so far, we believe our Block has development potential, based on the coal thickness, permeability and gas content. According to the NSAI report issued on June 1, 2007, our Block has an estimated 1.92 tcf gas in place, with low, best and high estimates of contingent gas resources of 373.8, 1,356.5 and 1,778.1 mmcf, respectively and low, best and high estimates of prospective gas resources of 33,330.8, 88,754.4 and 238,972.4 mmcf, respectively. Further, we have a license to carry out CBM operations on our Block until 2036. We have a royalty rate of 10 percent of the ad valorem sale value at the well head and a production level payment fee of 2.5 percent of the sale value of CBM produced in the relevant month.

Located near large markets for fuel.

Currently, demand for fuel in West Bengal is high. A large market for fuel exists within a radius of approximately 60 km of our Block, with several large industrial customers located nearby. This should allow us to distribute our natural gas over short distances to reach customers quickly, reducing delivery costs. Further, Kolkata, the fourth largest city in India, is approximately 200 km south of our Block, and should provide a large market for CBM if we ultimately choose to exploit it.

Vertically-integrated gas supplier.

Upon the completion of our pipeline to Asansol, we believe we will be a fully vertically-integrated CBM company capable of exploring for, producing, distributing and selling natural gas to end users through an integrated network consisting of drilling, production, compression, transportation and logistics services. We have upstream exploration and production operations, midstream distribution operations, including gathering and compressing stations, truck-mounted cascades and a pipeline which will connect our Block to our customers and downstream sales and marketing operations. Our integrated operations provide both economic efficiencies and comprehensive control over all aspects of our business.

Experienced management and consultant team with international exposure.

We believe that the effective operation of our Company depends, to a significant extent, upon the experience and continued efforts of our key management personnel. In particular, we rely on the expertise and experience of our Chairman and Managing Director, Mr. Yogendra Kr. Modi, and our President and Chief Operating Officer, Mr. Prashant Modi, who have broad experience in managing public and private companies. Further, a number of other members of our management team have broad experience in the oil and gas industry, which enables us to effectively operate our business. In addition, the international consultants we hire to manage our drilling and production operations have vast experience in the industry, adding to our base of knowledge and skill.

We own our drilling rig.

Currently, drilling rigs are in high demand and short supply in India. We own our drilling rig, which gives us control over the availability and deployment of the drilling rig. We can schedule drilling operations as needed, without having to pay the high cost of daily rental fees for drilling rigs. Furthermore, we set our own drilling timetables without having to consider the availability or price of leasing rigs from third parties. We also own our workover rig, which provides flexibility in our well maintenance operations.

Our Strategies

We intend to pursue the following principal strategies to become a leading vertically-integrated gas supplier:

Fully develop our Block.

Our PSC permits us to operate on our Block until 2036. We intend to fully develop our Block during this period. To maximize the amount of gas available for sale in the market, we are increasing production of CBM and expanding our logistics operations to deliver our natural gas by truck mounted cascades to selected destinations for consumption as fuel or, in the case of major industrial customers, through pipelines constructed and owned by us. We will continue to build underground MDPE pipelines within our Block connecting our wells to gas gathering stations. From there, underground steel pipelines are being laid to our central gathering station in Asansol to distribute our natural gas throughout the region surrounding our Block. We plan to extend our pipeline beyond the central gathering station in Asansol to Durgapur, Kulti and Barakar, to reach additional customers for our natural gas. We further intend to develop CNG stations along the 200 kms of National Highway 2 radiating outward from our Block. These stations will initially be supplied by truck mounted cascades, and ultimately we intend to connect these stations to our pipelines.

Increase our license area in India through acquisitions and bidding.

We intend to increase our license area in India by acquiring existing CBM properties, licenses and assets, and by competitively bidding for new projects. We will use our experience gained operating our existing wells to expand our operations, and to increase the efficiency of our future CBM operations.

Pursue opportunities outside India.

We intend to pursue opportunities to develop CBM projects outside of India. We will look for new blocks to develop and existing companies to acquire. We believe our expertise and knowledge gained through our operations on our Block will allow us to identify new opportunities for development.

Become an integrated oil and gas company.

While focusing on expanding our CBM operations in India and abroad, we also intend to expand into other related low risk gas and oilfield opportunities. To that end, we intend to participate in future NELP rounds and to bid for or acquire onshore resources and operations close to existing markets and infrastructure.

Our History

Our company was incorporated in India in 1992 to explore, develop, distribute and market CBM in India. We originally entered into a license agreement in 1993 with Coal India Limited ("CIL") for the exploration and development of CBM within the Block. Between 1993 and 2001, we carried out preliminary exploration activities on our Block. Following the transfer of CBM administration in India from the Ministry of Coal to the MoPNG, we entered into the PSC on May 31, 2001 with the MoPNG. The PSC became effective on November 9, 2001, when we executed the formal deed for the PEL with the West Bengal Government. On September 4, 2008, the West Bengal Government granted us our mining lease, which is valid for an initial period of 20 years. The mining lease may be extended by the West Bengal Government for a further period of 10 years.

In December 2005, we were the first Indian company to list on the London Stock Exchange's Alternative Investment Market ("AIM"). We currently have 76,222,347 GDRs listed on AIM, representing 381,111,735 underlying equity shares. For further details relating to this please refer to the section "Capital Structure" on page 20.

Project Milestones

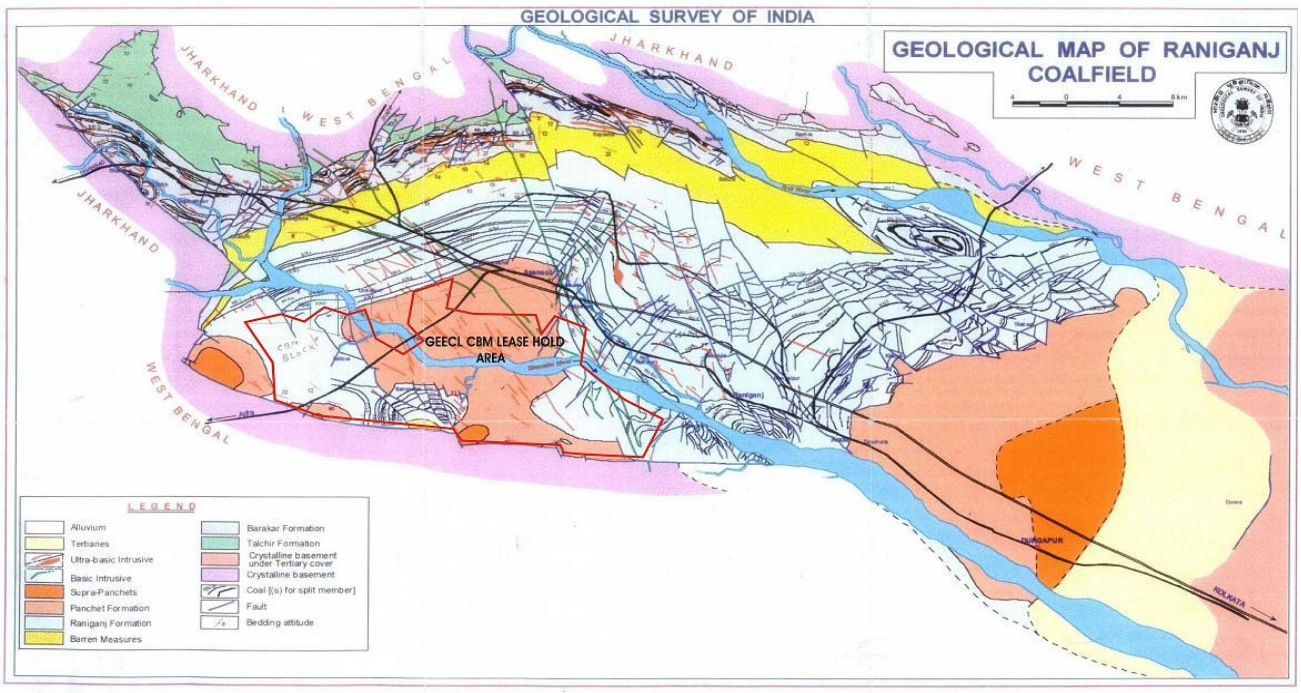
December 1993	Obtained a license from CIL.
January 1994	Paid signature bonus of Rs. 10.00 million to CIL, as per the terms of the license granted by them.
1995 to 1998	Carried out core-hole exploration and commercial viability tests.
May 2001	The PSC was signed with the MoPNG.
November 2001	Executed the deed for our PEL with the West Bengal Government.
April 2002	Started pilot production program of three wells.
January 2004	Struck gas in the first well. By July 2004, gas observed in all three existing pilot wells.
December 2005	Completed an offering of GDRs to become the first Indian company to list on AIM.

January 2006	Commenced drilling of 20 wells, in addition to our three pilot wells which were completed in 2004.
Fiscal 2007	First group of 23 wells, including the three pilot wells, completed.
August 2007	First company to commercially sell CBM in India.
October 2007	Signed a franchise agreement with IOCL to supply natural gas.
November 2007	Purchased a drilling rig which was delivered to our Block.
January 2008	Started drilling an additional 30 wells.
September 2008	The West Bengal Government granted our mining lease.

Our Block

We entered into the PSC with the MoPNG to explore, develop, produce and distribute CBM gas reserves until 2036 in our Block, which covers 210 square kilometers in the Raniganj coalfield, near Asansol, West Bengal. Our Block is in an industrial belt approximately 200 km north of Kolkata, West Bengal, and is in close proximity to a wide variety of consumers. The Raniganj coalfield represents the easternmost coalfield in an east-west trending fault system known as the Damodar Valley Gondwana Basin. Our Block is bounded on the east by the Salma dyke, on the west by the Chinakuri coal mines, on the north by the Asansol-Raniganj townships and on the south by the boundary fault of the Raniganj coal basin. The topography of our Block is comparatively flat with minor undulations and a gentle slope towards the Damodar river which passes through the middle of our Block. Surface elevations range from 86 to 120 meters above sea level.

The following is a geological map of the Raniganj coalfields, including our Block:

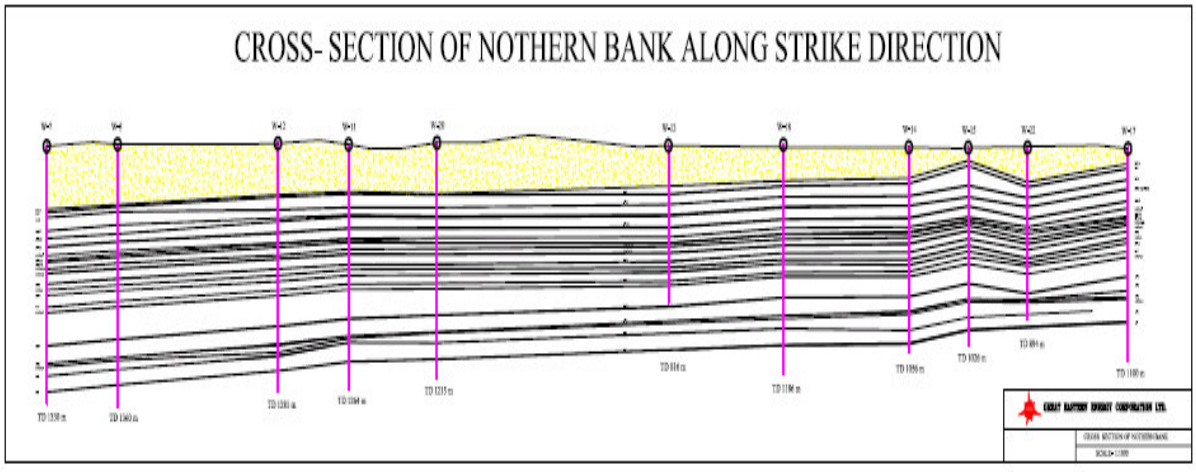


Geology

The Raniganj coalfield comprises two coal measures, namely the Raniganj coal measure and the Barakar coal measure.

According to our estimates, the sedimentary sequence present in our Block consists of inter bedded sandstone, siltstone, shale, and coal, and has 10 identified coal seams, labelled I through X, from which CBM is produced or will be produced. The Raniganj formation attains a total thickness of up to 1,150 meters, the greatest known accumulation in any of the coal basins in India. Coal seams, which are numerous and scattered throughout our Block, show a wide variation of thickness. The thickness of the individual seams ranges from less than a meter to more than 20 meters. The thickness of the coal seams in the Raniganj formation varies from 10 meters to more than 60 meters. Seams IV through X have been extensively mined by surrounding coal mining operations. Seams VII through X contain numerous laterally continuous seams of minable thickness. Towards the base of

the Barakar coal measure, the number and average thickness of the seams generally decrease, although the Dishergarh R-IV seam is one of the thickest and most continuous coal beds in the Raniganj coal field.



(***Source: Great Eastern Energy Corporation Limited***)

The coal seams are located beneath the Panchet formation, which is approximately 600 meters thick and characterized by two distinct parts. The lower part is dominated by green shale and the upper part is an alternating sequence of red shale and cross-bedded arkosic sandstones. The coal isopach, which is a map showing areal extent and thickness of the coal measure, indicates the development of thicker coal of up to 66.8 meters in the area of Damra in the northeastern portion of our Block. In both the northern portion and southern portion of our Block, exploration core holes have shown substantial flows of gas.

We currently space our wells at an average of 160 acres. This spacing may be altered for future wells as we acquire more information from our drilling operations, and also as our knowledge of drainage patterns develops.

Key Features of our Production Sharing Contract and Petroleum Mining Lease

Under the terms of the PSC, we have a 100 percent participating interest in our Block and have the right to exploit, develop and produce CBM within the 210 square kilometers of our Block until 2036. Under the terms of the PSC, the total license and exploration period shall comprise a five year pilot assessment phase, market survey and commitment phase, followed by a five year development phase and a 25 year production phase. We are required to complete a minimum work program, which includes programs formulated and agreed to in the PSC relating to carrying out CBM operations on the Block. Furthermore, as described in the PSC, we were required to pay a signature bonus of $0.3 million to the MoPNG, which was adjusted against a signature bonus of Rs 10.0 million paid by us to Coal India Limited in 1994. For further details see the section titled "Outstanding Litigation and Material Developments – Arbitration Proceedings Initiated by our Company" on page 191. In addition to signing the PSC, we executed a formal deed for our PEL with the West Bengal Government in November 2001, to carry out exploration and production operations. As per the terms of the PEL, the West Bengal Government granted us a petroleum mining lease on September 4, 2008. The petroleum mining lease is valid for 20 years, and may be extended by the West Bengal Government for an additional 10 years.

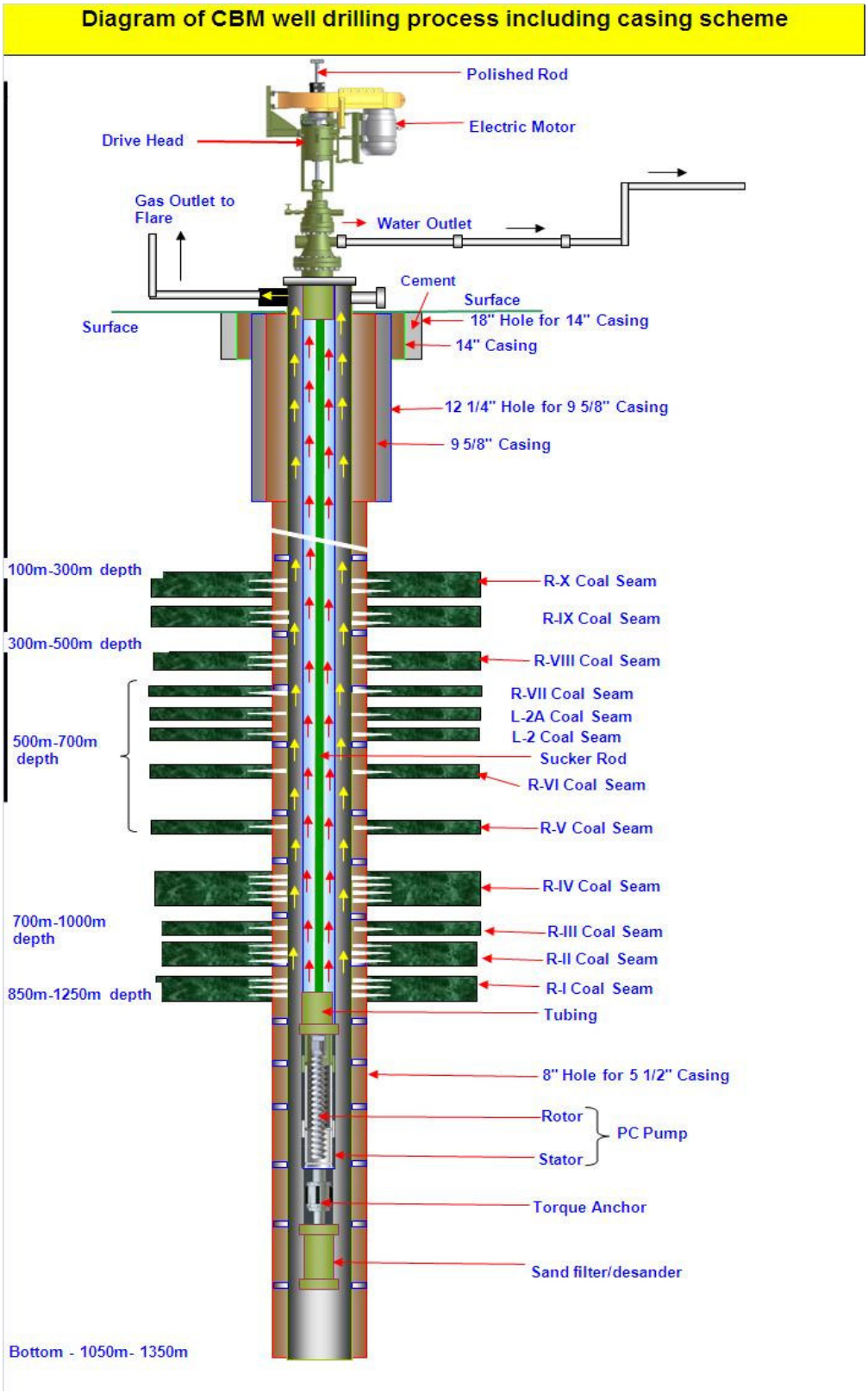
Under the PSC and the petroleum mining lease we must pay a royalty at the rate of 10 percent of the ad valorem sale value at the well head to the West Bengal Government on the production of CBM. The West Bengal Government has the option to take CBM in kind in lieu of royalty payments from us. Further, besides the annual rental and other charges and taxes, we will pay monthly, to the GoI, production level payments on CBM production at a rate of 2.5 percent of the sale value of the CBM produced in the relevant month. According to the approval of gas price formula/basis for valuation of CBM granted by MoPNG on February 14, 2008, our royalty and production level payments are subject to payment based on a minimum price of $6.79/mmbtu at the well head. For further details regarding the terms and conditions of the petroleum mining lease, see the section titled "Government and Other Approvals" on page 202.

As required by the PSC, we submitted our Development Plan to the DGH which was approved by a steering committee comprising members appointed by the MoPNG and us. The steering committee approved the Development Plan in February 2007. We also submitted our application to the West Bengal Government for our petroleum mining lease in August, 2006. We also obtained environmental clearance for our three exploratory wells and to drill our first phase of 100 wells and associated facilities and pipelines from the Ministry of Environment and Forests in June 2007. After completing the 100 wells of our Development Plan, and subject to the approval of the DGH, we currently expect to drill an additional 200 wells and construct additional gas gathering stations over the next eight years to fully develop our Block.

Production Process

Drilling

The diagram below shows the drilling and casing process we use:



When considering potential sites for exploratory drilling, we evaluate the sites based on the following parameters:

- coal thickness and continuity,
- gas content,

- coal petrology,
- fracture systems in the reservoir, and
- reservoir drainage pattern and reservoir geometry.

Drilling operations require many specialized and qualified industry-specific service providers with unique equipment and services. These service providers include drilling, mud, downhole tools, logging, cementing, testing, stimulation and completion specialists. Specialized design, engineering, procurement and construction services are required in building production processing equipment, pipelines and gathering systems. Vertical drilling is used largely because it is the most economic method given the geological characteristics of our Block.

Fracturing

Fracturing of each well is carried out after the well is drilled to its total depth. The steps to complete fracturing include:

- drilling an 18 inch diameter hole for the conductor casing up to 20 meters, then fixing and cementing a 14 inch diameter casing,
- drilling a 12 1/4 inch diameter hole for the surface casing up to 250 meters, then fixing and cementing a 9 5/8 inch diameter casing.
- drilling a 7 7/8 inch diameter hole for the production casing up to 1,350 meters, running an open hole log, then fixing and cementing a 5 1/2 inch diameter casing.
- running a cement bond log,
- perforating the seams, starting with the deepest coal zone seam, and
- cleaning the well, then installing a pump to begin dewatering and production.

Dewatering and compression

Initial separation of water from the gas takes place at the well head, and then raw gas flows through the underground intra-field MPDE flowline into gas gathering stations, where the gas is further dried and compressed for transportation. The gas gathering system comprises an underground MDPE flowline which is currently 29.97 kms long, gas treatment facilities, gas compressors feeding into our steel pipelines through which the gas is transported to our customers.

The intra-field flowline will be extended as more wells come on line. Our gas will be compressed and carried from our gas gathering stations to our central gathering station by an underground steel pipeline. As of November 30, 2008, we have completed 11.34 kms of the pipeline linking the gas gathering station and the central gathering station. Once this is completed, our CBM will be carried to customers, including various IOCL outlets, through additional spur pipelines which are in various stages of development.

We outsource most drilling and well completion activities and the construction of gas gathering infrastructure to independent third party service providers. We also own, but do not directly operate, one drilling rig and one workover rig.

Our Third Party Service Providers

In May 2008, we signed an agreement with New Tech Engineering L.P. ("New Tech") under which they provide advice, assistance and services for the operation, maintenance and technical management of our exploration and drilling activities. This agreement is for a term of three years, and is renewable upon the agreement of both parties. Under this agreement, New Tech oversees our drilling and production operations, and works in conjunction with various other third party service providers we hire to carry out services on our Block.

We signed an agreement in April 2008, with Schlumberger Asia Services Limited to carry out cementing and fracturing services for our drilling operations, as well as to provide chemicals and other materials required in our operations.

In January 2008, we signed an agreement with Mitchell Drilling International Pty. Limited for open hole, cased hole, logging and perforation services. These services provide a detailed record of the geologic formations present in the wells we drill and help us plan completion activities, including perforation, fracturing, pump installation and other related activities.

We entered into a three year service contract with W.J. Towell and Co. LLC on January 23, 2008, for W.J. Towell and Co. LLC to provide manpower to run our drilling rig, which we use to drill new wells.

In June 2008, we signed a memorandum of understanding with Aakash Exploration Services Private Limited to lease a workover rig and for them to provide crew members to operate the rig. This rig is used to maintain the wells.

On April 15, 2008, we signed an agreement with Atlas Copco Construction and Mining Sales to provide maintenance for our drilling rig and to train our employees in the operation of the rig.

In March 2007, we signed an agreement with Unitech Limited to build an underground MDPE pipeline and associated facilities to connect our wells with our gas gathering stations. In October 2007, we signed a separate agreement with Universal Energies Limited to build an underground steel pipeline and associated facilities in Asansol. In March 2008, we signed an agreement with Universal Energies Limited to build a MDPE pipeline and associated facilities in the Asansol-Durgapur Development Authority's industrial area. We signed an agreement in April 2008, with Ario Brothers to build an underground steel pipeline from our central gathering station to the Kulti Growth Works in Barakar, as well as spur lines.

In September 2008, we entered into a contract with Diesel Power Spares (Gujarat) Private Limited for manpower to assist in operating the workover rig.

In all cases, our third party service providers operate independently from us, and the employees working for the third party service providers are not employed or paid by us.

Our Drilling Development Plan

Our drilling sites are each approximately 1.5 acres. We have a dedicated team of employees focused solely on acquiring the land needed to set up each well. A HDPE lined reserve pit is constructed at each location to store circulation materials produced during the operation of the well. This pit helps prevent environmental damage by eliminating the discharge of liquids off the drilling pad.

To limit the possibility of environmental damage, the following procedures are in place:

- the size of the drilling pad is as small as practical to reduce the amount of surface area being disturbed, and
- temporary reserve pits are created.

Our Development Plan includes drilling 100 wells, constructing up to five gas gathering stations and laying underground MDPE pipeline connecting the wells to the gas gathering stations. From there, underground steel pipelines will connect our gas gathering stations to our central gathering station in Asansol from where we intend to deliver gas through pipelines and truck mounted cascades to industrial and other customers. We are currently commercially producing CBM. Ultimately, and subject to the approval of the DGH, we plan to drill a total of 300 wells over approximately the next eight years to fully realize the production potential of our Block.

We completed our first three wells in 2004, and completed our first campaign of drilling with 23 production wells drilled, cased, cemented, logged, perforated and fractured in Fiscal 2007. Of these, 18 wells are currently de-watering. In March 2008 we produced a daily average of 2.9 mmscfd, although we have since reduced our production levels until we complete our pipeline. We currently drill wells in clusters of five to increase efficiency in our drilling operations. We currently sell only a small portion of the gas we produce, as our pipeline is not complete. The gas we currently produce, but do not sell, is flared off at our gas gathering stations and at individual wells, as it is not possible to store the CBM once it is extracted from the coal seams. For the year ended March 31, 2008, we produced 3,595,101 Cm of CBM, sold 213,693 Cm of CBM, used 336,982 Cm of CBM in our own operations and flared off 3,044,426 Cm of CBM.

In January 2008, we commissioned our own drilling rig which affords us flexibility in our drilling plans. In January 2008, we commenced drilling operations for our second campaign of 30 wells. As of November 30, 2008, we have 13 wells under construction in our second campaign, and have fractured nine wells, although these wells are not yet producing. The time required to drill a well varies for each location, but overall we plan to drill 30 wells in 2008.

Water production and disposal

As an integral step in the CBM drilling and production process, water is removed from coal seams. Currently, the water removed from our drilling and production is used in our drilling operations. We test the water each month and submit a report to the Ministry of Environment and Forests and the West Bengal Pollution Control Board. We will expand our water disposal facilities and operations as the number of wells in the de-watering stage increases.

Transportation and delivery of natural gas

All of our natural gas that we currently sell is transported to customers in Asansol, in trucks mounted with cascades which we lease and hire third party service providers to operate based on our needs for specific orders. Each CNG cascade can hold approximately 20 mcf of CBM. In our system, the low pressure gas is first compressed in a five stage compressor. After odorization, a process whereby a sulfur compound is added to the gas to create a detectable smell for safety purposes, the gas is measured and loaded under pressure onto truck mounted cascades. When the trucks arrive at the customer site, the gas is unloaded through a delivery terminal where the pressure is reduced and controlled to meet the customer's requirements. In addition to delivering CNG in truck mounted cascades, we are constructing pipelines which will connect our operations to customers throughout the region surrounding our Block. Our steel pipeline will run from our gas gathering stations to a central gathering station, and then on to industrial and CNG customers through spur lines. We expect the vast majority of the natural gas we will sell in the future to be delivered to customers through our pipelines. Upon the completion of our pipeline, we expect to significantly increase our sales volumes from the current amount.

Summary of Resources

We engaged NSAI, independent petroleum engineering consultants, to prepare estimates of the contingent and prospective CBM resources contained in our Block. The total estimated gas-in-place, based on the NSAI report, is 1.92 tcf. The complete NSAI report issued on June 1, 2007 on those estimates, and on estimates of contingent and prospective resources, is attached as Appendix A to this Draft Red Herring Prospectus. NSAI used reserves and resources definitions according to SPE, AAPG and WPC international standards which provide detailed descriptions of each category of reserves and resources.

Our contingent resources are those resources which are estimated, on a given date, to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable. The estimation of the resources, and the likelihood that they may in the future be reclassified as reserves, depends on our ability to prove the commercial and technical viability of recovery within a reasonable period of time.

Prospective resources are those undiscovered, highly speculative resources estimated beyond proved, probable and possible reserves or contingent resources where geological and geophysical data suggest the potential for discovery of gas but where the level of proof is insufficient for classification as reserves of contingent resources. The unrisked prospective resources are those volumes that could reasonably be expected to be recovered upon the successful exploration and development of our Block.

According to SPE definitions, proved and probable reserves can only be allocated after a development plan has been approved, an investment decision has been made and, in the case of CBM, production of gas has been demonstrated. Furthermore, as of June 1, 2007, our Block development was not extensive enough to make reserve estimates.

Sales and Marketing

We are currently in the initial stages of marketing and selling a small amount of our natural gas directly to end users through truck mounted cascades. We expect to complete the pipeline from our gas gathering station to our central gathering station in Asansol, West Bengal in December 2008.

Pursuant to letter of acceptances dated August 28, 2008, we will supply Jagdamba Fiscal Services and Durgapur Steels Limited, for a total term of 20 years, 40,000 scmd and 11,000 scmd of natural gas per day, respectively, for a fixed price of Rs. 25.75 per scm for the first three years and Rs. 26.00 per scm for the subsequent two years. After the first five years of the contract, we will sell natural gas at prices to be negotiated every six months for an additional 15 years. We expect to start supplying natural gas to these customers in mid-2009.

We entered into a franchise agreement with IOCL in October 2007. Under the terms of the agreement, we agreed to supply CNG initially through five IOCL outlets in the area surrounding our Block for Rs. 33 per kg, and may agree with IOCL to increase the number of outlets. We are currently supplying CNG through four IOCL outlets. We also supply CNG directly to consumers from four of our completed wells.

To track the amount of gas we transport through pipelines, we will use a standard metering system at each spur line. We do not expect to face any credit risk as our customers will place securities or bank guarantees with us before we deliver the gas.

Product Pricing

As of November 14, 2008 we charge between Rs. 662.70/mcf and Rs. 799.49/mcf, or between Rs. 23.40/scm and Rs. 28.23/scm, for our natural gas. The prices we charge for natural gas tend to be based on a combination of market forces and government regulation.

Competition

We will compete principally in the future with liquid fuel providers, including providers of commercial LPG, furnace oil, petrol and diesel. Initially, we will compete to draw customers from these fuel sources to natural gas. To do so, we will highlight the efficient uses of natural gas, the costs savings associated with switching to natural gas and the fact that using natural gas is a cleaner, more environmentally-friendly alternative to traditional fuels.

Employees

Our corporate office is located in Gurgaon. This houses our employees who oversee our management, financial, administrative and reporting functions. We also have operational employees located on our Block and at our registered office in Asansol. Our employees are not covered by any collective bargaining agreements. We have not experienced any strikes, work stoppages, labor disputes or actions by or with our employees, and we consider our relationship with our employees to be satisfactory.

Our employees perform a variety of functions, including management, project management and operations, marketing, finance and accounts, administrative functions, legal and compliance, and human resources.

As of December 12, 2008, our employees included:

Department	Number
Operations/Technical	49
Adminstrative, Human Resources, Legal, Land Acquisition and Others.	25
Accounting and Finance	12
Business Development	5
Information Technology	4
Logistics	3
Total	**98**

Environment, Health and Safety

We have a dedicated team of employees focused on environment, health and safety. Like other natural gas producers, our operations are subject to extensive and rapidly changing environmental, health and safety and other laws and regulations governing air emissions, waste water discharges and solid and hazardous waste management activities. We believe that we conduct our operations in a manner consistent with the environmental protection and safety laws and regulations issued by the central, state and local governments in India, as well as with international standards. We have obtained permission to carry out our operations from the Ministry of Environment and Forests, the West Bengal Pollution Control Board and the Director General of Mines Safety.

We conduct an occupational health and safety risk analysis for each job performed in our drilling operations as a precaution against accidents. It is our practice to work to minimize the potential effect of any environmental issues that may arise during our operations. We maintain HPDE-lined reserve pits to contain drilling waste, which prevents soil and ground water contamination. Our drilling equipment receives regular preventive

maintenance to limit potential air or noise pollution. We have a trained emergency response team in place to deal with issues that may arise at our facilities. We stage periodic mock drills to ensure emergency preparedness for environmental accidents. We also periodically monitor emissions from our operations into the air, noise from our operations and the quality of the waste generated in our operations.

Insurance

We maintain insurance for our operations covering, among other things, risks relating to damage caused by fire or explosion on the properties, damage to rigs and equipment, cost of well control, damage in respect of cargo conveyance of certain equipment or raw materials required in our business, third party liability, injury to personnel and field staff and group personal accident, although we do not carry business interruption insurance. We believe our level of insurance coverage is consistent with oil and gas industry standards in India.

Properties

Our registered office is located at G.T. Road, Fatehpur, P.O. Sitarampur, Asansol 713 359, West Bengal, India, on 45,630 square feet of land which we leased from certain individuals, pursuant to a lease deed dated September 8, 1999. The tenure of the lease agreement has been extended up to July 31, 2009 pursuant to a letter dated July 31, 2008 issued by us. Our 5,200 square foot corporate office is located at Signature Tower-A, 14th Floor, South City, NH-8, Gurgaon 122 001, Haryana, India, which we leased from YKM Holdings Private Limited, one of our Promoters, pursuant to a lease deed dated April 20, 2006 for a period of 36 months.

Further, we have 3,180 square feet of office space at 1D, Ballyhigh, 1, Ballygunge Park Road, Kolkata 700 019, which we sub-leased from Bokel Investments Limited, which later merged with one of our Promoters, YKM Holdings Private Limited, pursuant a sub-lease agreement dated September 5, 2005 valid for a period of 99 years with effect from August 1, 1994. In addition, we have acquired and have leased properties measuring approximately 35.62 acres and 84.93 acres pursuant to sale deeds and lease deeds, respectively, executed among our Company and various land owners.

We believe that our existing facilities are adequate for our current requirements and that additional space can be obtained on commercially reasonable terms to meet our future requirements.

REGULATIONS AND POLICIES

We are a company focusing on the exploration, development, production, distribution and sale of CBM. We are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our activities require, at various stages, the sanction of the concerned authorities under the relevant state legislation and local bye-laws.

The following is an overview of the important laws and regulations, which are relevant to our business. The regulations set out below are not exhaustive and are only intended to provide general information to Bidders. The following is neither designed nor intended to be a substitute for professional legal advice. Taxation statutes such as the I.T. Act, Central Sales Tax Act, 1956 and applicable local sales tax statutes, labour regulations such as the Contract Labour (Regulation and Abolition) Act, 1970, Employees' Provident Fund and Miscellaneous Act, 1952 and other miscellaneous regulations and statutes such as the Trade Marks Act, 1999 apply to us as they do to any other Indian company. For details of government approvals obtained by us in compliance with these regulations, see the section titled "Government and Other Approvals" on page 202. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Regulation of Exploration and Production

Under Article 297 of the Constitution of India, jurisdiction over petroleum and natural gas occurring in their natural state in India, is vested in the Union of India. MoPNG is the principal administrator of exploration and production of oil and natural gas in India. MoPNG is responsible for administering the exploration, production, distribution, marketing and pricing of petroleum resources, including crude oil and natural gas, and is also responsible for planning, development and regulation of oil field services.

The Directorate General of Hydrocarbons ("**DGH**") was established under the aegis of MoPNG in 1993, with the objective of promoting sound management of Indian petroleum and natural gas resources, with regard to the environment, safety, technological and economic aspects. Other bodies under the control of MoPNG include the (a) Oil Industry Development Board, which provides financial and other assistance for development of the oil industry; and (b) Centre for High Technology, which serves as a nodal data-gathering agency with respect to technological matters. In addition, the Directorate General of Mines Safety issues directions in respect of onshore petroleum mining installations.

Oilfields (Regulation and Development) Act, 1948 ("Oilfields Act")

Oil and natural gas exploration activities are governed by the Oilfields Act which provides for regulation of oilfields and development of mineral fuel oil resources. "Oilfields" are defined as areas where any operation for obtaining natural gas and petroleum, crude oil, refined oil, partially refined oil and any petroleum products in liquid or solid state, is to be or is being carried on. PELs and PMLs are granted under the Oilfields Act, with respect to mineral oils including crude oil and natural gas. The Oilfields Act vests GoI with the authority to make rules for development and conservation of mineral oils, to amend the terms of the PELs and PMLs and to levy royalty, fees or charges on extraction of mineral oil from the areas under the PMLs.

On September 1, 2006, GoI designated DGH as the authority to exercise powers and functions of GoI with a view to promote sound management of hydrocarbon resources in India. Accordingly, DGH, *inter alia* (a) reviews and monitors exploration programs and development plans for commercial discoveries of hydrocarbon reserves proposed by a licensee or lessee; (b) reviews management of petroleum reservoirs by a licensee or a lessee; (c) asks for and maintains geo-scientific data, reports and information from a licensee or a lessee; (d) reviews reserves discovered by a licensee or lessee in accordance with generally accepted international petroleum industry practices; (e) lays down norms for declaration or announcement of discoveries by a licensee or a lessee; and (f) monitors oil and gas production and payment of royalties, cess or other charges due to GoI. In the event the GoI executes a PSC, the DGH shall discharge its duties in accordance with and in a manner that is consistent with such PSC.

Oil Mines Regulations, 1984 ("Oil Mine Regulations")

Under the Oil Mine Regulations, no mine shall be opened or worked without a duly appointed manager and a safety officer. Further, one or more installation managers are required to be appointed to hold charge of the

different installations at every mine. The owner, agent or manager of a mine is required to provide notice of events including opening, closure and accidents, to the Chief Inspector and to the Regional Inspector designated under the Oil Mine Regulations. The owner, agent or manager is also required to submit quarterly returns to the Chief Inspector and the Regional Inspector, and annual returns to the District Magistrate and to the Chief Inspector, in the prescribed form, as well as, among other things, a key plan showing the area in which operations for mining of petroleum and ancillary operations are carried on, a surface plan showing the location of all wells including abandoned wells, railways, power transmission lines, public roads, or other permanent structures not belonging to the owner, rivers and water courses within the mining areas. A new pipeline or any significant alteration can be carried out in any existing pipeline only with the prior approval of the Regional Inspector and in accordance with such conditions as he may specify. The application for permission shall be in the prescribed form, and a copy thereof shall also be sent to the Chief Inspector and the District Magistrate, accompanied by copies of a plan of the area where the pipeline is proposed to be laid showing the extent of land and route over which right of use ("**ROU**") has been established.

Petroleum and Natural Gas Rules, 1959 ("PNG Rules")

The PNG Rules, notified by GoI in pursuance of its authority under the Oilfields Act, provides the framework for grant of PELs and PMLs. The PNG Rules prohibit prospecting or exploitation of any oil or natural gas unless a license or lease has been granted under the PNG Rules. A PEL and PML entitle the licensee to an exclusive right to a lease for extracting oil and gas from the contract area. PELs and PMLs are granted by MoPNG for offshore areas, and by the relevant state governments, with prior approval of GoI, for onshore areas.

GoI amended the PNG Rules in 2006 to provide that a licensee or lessee is required to provide to GoI or its designated agency, being the DGH, all data obtained or to be obtained as a result of petroleum operations under the license or lease, including geological, geophysical, geochemical, petrophysical, engineering, well logs, maps, magnetic tapes, cores, cuttings and production data, as well as all interpretive and derivative data, including reports, analysis, interpretations and evaluations prepared in respect of petroleum operations. Such data shall be GoI's property, provided that the licensee or lessee shall have the right to make use of such data free of cost, for the purposes of petroleum operations under the license or lease. GoI has the right to disclose to the public all non-proprietary data without consent of the licensee or lessee, and all proprietary data with the consent of the licensee or lessee. GoI is the sole authority to determine proprietary nature of the concerned data.

Pipelines

Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962 ("Pipelines Act")

The Pipelines Act provides the framework governing the acquisition of right of user in land for laying pipelines for the transportation of petroleum and minerals and other matters connected therewith. This law is limited to the acquisition procedure, restrictions on use of land and compensation payable to the persons interested in the land. Right of usage acquisition may be subject to such conditions as may be deemed fit by GoI in the public interest.

Petroleum and Natural Gas Regulatory Board Act, 2006 ("PNGRB Act")

The PNGRB Act provides for the establishment of the Petroleum and Natural Gas Regulatory Board ("**PNG Board**"), and vests it with the authority to, among other things, regulate refining, processing, storage, transportation (including laying of pipelines), distribution, marketing and import, export and sale of petroleum, petroleum products and natural gas, excluding the production of crude oil and natural gas, monitoring prices and taking corrective measures to prevent restrictive trade practices, imposing fees and other charges and regulating technical and safety standards and specifications relating to petroleum, petroleum products and natural gas. The objectives are to protect the interests of consumers and entities engaged in specified activities relating to petroleum, petroleum products and natural gas, to ensure uninterrupted and adequate supply of petroleum, petroleum products and natural gas in all parts of the country and to promote competitive markets.

The majority of the provisions of the PNGRB Act have come into effect from October 1, 2007, and the constitution of the PNG Board was re-notified with effect from October 1, 2007. Pursuant to the above, all entities currently engaged in, or proposing or contemplating any downstream petroleum activities, will be governed by the PNGRB Act and would have to follow intimation and authorization procedures, as well as the downstream pricing mechanism prescribed hereunder. For entities already engaged in downstream petroleum

activities in India, the intimation and authorization process will have to be completed within six months from the appointed date, i.e., by March 31, 2008.

Petroleum and Natural Gas Regulatory Board (Authorizing Entities, Build, Operate and Expand City or Local Natural Gas Distribution Networks) Regulations, 2008 ("CGD Authorizing Regulations")

The CGD Authorizing Regulations provide for setting up a city or local natural gas distribution network ("**CGD Network**") for supply of natural gas on a sustained basis to customers having requirements of natural gas up to 50,000 standard cubic meter per day. For customers requiring natural gas beyond 50,000 standard cubic meter per day, the same may be supplied either through the CGD Network or through a pipeline not forming part of the CGD Network. The PNG Board has been authorised to allow an entity to lay CGD Network based on certain criteria prescribed in the CGD Authorizing Regulations. Further, any entity laying CGD Network is required to adhere to certain quality of service standards and the PNB Board has been authorised to assess the performance of the entity in complying with the quality service standards periodically and compare such performance against the minimum prescribed benchmarks. Any failure to abide by the standards may attract civil penalty or encashment of the performance bond which is required to be submitted to the PNG Board at the time of grant of authority to lay CGD Network.

Petroleum and Natural Gas Regulatory Board (Determination of Network Tariff for City or Local Natural Gas Distribution Networks and Compression Charge for CNG) Regulations, 2008 ("CGD Tariff Regulations")

The CGD Tariff Regulations apply to all entities authorised by the GoI for laying, building, operating or expanding CGD Network before October 1, 2007 and those entities which have been authorised by the PNG Board for certain prescribed activities under the CGD Authorizing Regulations. The CGD Tariff Regulations prescribe, *inter alia*, the mechanism to determine the weighted average unit rate of tariff to be levied on consumers of natural gas in CGD Network by entities being governed by the CGD Tariff Regulations.

Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Network) Regulations, 2008 ("CGD Exclusivity Regulations")

Pursuant to the CGD Exclusivity Regulations, the PNG Board may grant an entity exclusivity for laying CGD Network over the economic life of the project, provided during the economic life, which is normally expected to be 25 years, of the CGD Network, consisting of network of pipelines, online compressors for compressing natural gas into CNG and other allied equipments and facilities, the entity carries further expansions required through pipeline capacity building as well as carries out replacements and upgradation of assets as and when necessary. Non-compliance with the prerequisites for grant of the exclusivity would entail levy or penalty and termination of the exclusivity period.

Pricing

The mechanism for pricing of oil and natural gas was based on import parity till the mid 1970s. Prior to 1998, prices of all major petroleum products were fixed pursuant to the APM, which was based on a "cost plus" pricing system under which companies engaging in exploration and production, refining and marketing were guaranteed fixed returns on net worth plus reimbursement of eligible operating costs. Under the system, selling prices of any petroleum product was uniform for each marketing company within a specific area except for variances resulting from differing tax rates from one state to another. The APM operated through a system of "oil pool" accounts through which cash flows relating to various charges, subsidies and other adjustments were managed, allowing for certain products including kerosene and domestic LPG, based on cross-subsidisation from certain products including petrol and indigenous crude oil. With the objective of encouraging private sector as well as foreign direct investment while removing distortions caused by subsidies and cross-subsidies, GoI, through its Resolution No. 224 dated November 21, 1997, decided "in principle" to dismantle the APM in a phased manner, commencing from April, 1998. The APM would be replaced by a phased movement to Market Determined Pricing Mechanism ("**MDPM**") and rationalization of customs tariff and excise duty rates. Further, as per GoI Resolution dated November 21, 1997, oil exploration and production companies producing at least 3 million tonnes of crude oil annually or companies owning and operating refineries with an investment of at least Rs.20,000 million, are entitled for marketing rights for transportation fuels, namely, motor spirit, high speed diesel and aviation turbine fuel.

The APM was discontinued with effect from April 1, 2002, through Notification No.P-23015/1/2001-Mkt dated March 8, 2002. As per the model PSC, the Indian domestic market has the first call on the production of gas. Although the contractor has the freedom to sell gas within India, he has to do so on the basis of arms-length transactions between non-affiliates. In terms of the model PSC, parties may either determine sales price of crude oil or natural gas through a competitive bidding process or may negotiate sales price of crude oil or natural gas, subject to GoI approval of the formula or basis on which such prices were determined, prior to the sale of crude oil or natural gas to the buyers. For this purpose, GoI may take into consideration any prevailing pricing policy or any linkages with traded liquid fuels. Typically, each long-term crude oil or natural gas supply contract has a price review clause every 5 years.

Essential Commodities Act, 1955 ("EC Act")

The EC Act vests GoI with the authority to issue notifications for controlling the production, supply and distribution of certain essential commodities, which include petroleum and petroleum products.

Royalty

The Oilfields Act provides for payment of royalties in respect of any mineral oil and natural gas mined, quarried, excavated or collected from the leased area. GoI may increase the rate of royalty payable for production of crude oil and natural gas up to the limits prescribed by the Oilfields Act by issuing a notification, without amending the Oilfields Act]. It can also increase the prescribed limits by amending the Oilfield Act by an act of Parliament. Under the Oilfields Act royalty on crude oil and natural gas is payable as a percentage of wellhead value derived from the sales price. Royalty is payable at the rate 10% for natural gas extraction in both onshore and offshore areas.

Service Tax

Service tax is levied under the Finance Act, 1994, as amended, wherein tax is levied on certain identified services rendered in India by specified service providers. Currently, service tax is levied at the rate of 12% plus an education cess of 2% and a secondary and higher education cess at the rate of 1%. Therefore, the effective rate is 12.36% on the gross value of taxable services. With respect to upstream activities, the following taxable services would be of relevance: site formation and clearance, and excavation, earth moving and demolition services, survey and exploration of mineral services and mining services.

Environmental Regulations

The Environmental Protection Act, 1986 ("**Environment Protection Act**"), Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") and the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") provide for the prevention, control and abatement of pollution. Pollution Control Boards ("**PCBs**") have been constituted in all the States in India to exercise the authority provided under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain approvals of the relevant State PCBs for emissions and discharge of effluents into the environment. The Hazardous Waste (Management and Handling) Rules, 1989 ("**Hazardous Waste Rules**") include waste oil and oil emulsions under the definition of hazardous wastes and impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such hazardous wastes properly including proper collection, treatment, storage and disposal. Every occupier and operator of the facility generating hazardous waste is required to obtain an approval from the PCB for collecting, storing and treating the hazardous waste.

*Government Policy for Foreign Direct Investment ("**FDI**")*

Petroleum and Natural Gas sector	
All activities other than refining and including market study and formulation; investment/ financing; setting up infrastructure for marketing in petroleum and natural gas sector.	FDI up to 100% is allowed under the automatic route, subject to sectoral regulations issued by MoPNG.
Refining	FDI up to 49% in case of public sector undertakings is allowed with the prior approval of the Foreign Investment Promotion Board ("**FIPB**"), while 100% FDI is allowed in the private sector, subject to sectoral regulations issued by MoPNG.

For information on the regulatory approvals obtained by and applied for by our Company, see the section titled "Government and other Approvals" on page 202.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as "Modi Mckenzie Methane Limited" on May 29, 1992 under the Companies Act. Our Company received the certificate for commencement of business on January 8, 1993 from the RoC Delhi. A shareholders' agreement dated July 19, 1993 was entered into among Mr. Yogendra Kumar Modi and Mckenzie India Energy Corporation B.V. with respect to exploration, exploitation, production of methane gas and associated energy sources in India and conversion and marketing thereof to be carried out through our Company. The said shareholders' agreement was subsequently terminated with effect from August 19, 1998 upon Mckenzie India Energy Corporation B.V. transferring its entire shareholding in our Company to Ogden Energy India (CBM) Limited. The name of our Company was changed to "Great Eastern Energy Corporation Limited", pursuant to a special resolution of the shareholders of our Company at an EGM held on January 21, 1996. The fresh certificate of incorporation consequent upon the change of name was granted on February 2, 1996 by the RoC Delhi. Further, pursuant to a special resolution of the shareholders of our Company at an EGM on April 10, 1998, our Company was converted to a private company under Section 31(1) of the Companies Act. The fresh certificate of incorporation consequent to change of name was issued on June 16, 1998 by the RoC Delhi. However, since more than 25% of the then paid-up share capital of our Company was held by a public company, namely Bokel Investments Limited, our Company was considered a deemed public company and the status of our Company was converted into a public company by way of an amendment in the certificate of incorporation granted to our Company on June 16, 1998.

Changes in the registered office

At the time of incorporation, the registered office of our Company was situated at 18, Community Centre, New Friends Colony, New Delhi 110 065, India. Subsequently, by a Board resolution dated January 24, 1994, the registered office was shifted to 8th Floor, Hemkunt Chambers, 89, Nehru Place, New Delhi 110 019, India. Further, by a Board resolution dated March 1, 1995 the registered office was shifted to 210, Okhla Industrial Estate, Phase III, New Delhi 110 020, India.

Subsequently, pursuant to a shareholders' resolution dated August 17, 2001 and a Board resolution dated April 3, 2002, our registered office was shifted to Flat No. 14, third floor, 'Kohinoor', 105, Park Street, Kolkata 700 016 in the state of West Bengal which was approved by order number 175/17/2001-CLB dated September 19, 2002 passed by the Company Law Board, New Delhi. Subsequently, pursuant to a Board resolution dated March 4, 2003, the registered office of our Company was shifted to 1D, 'Ballyhigh', First Floor, 1, Ballygunge Park Road, Kolkata 700 019. Further, pursuant to a shareholders' resolution dated September 8, 2008, the registered office of our Company was shifted to G.T. Road, Fatehpur, P.O. Sitarampur, Asansol 713 359, West Bengal, India. The reason for the changes in our registered offices since incorporation has been to serve better administration.

Major Events

Calendar Year	Events
December, 1992	• Approval from the GoI for exploration and development of CBM.
December, 1993	• Memorandum of understanding with Coal India Limited for production and development of CBM.
May, 2001	• Production Sharing Contract with the GoI with respect to the Block.
December, 2005	• First Indian company to get listed with the Alternative Investment Market of the London Stock Exchange.
August, 2007	• First Indian company to commence the commercial sale of CBM.
October 2007	• Signed a franchise agreement with IOCL to supply natural gas.
January, 2008	• Financial tie-up of Rs. 350 crores with consortium of banks and a financial company led by State Bank of India.
September, 2008	• Grant of Petroleum Mining Lease by the Government of West Bengal.

Listing on the Alternative Investment Market of the London Stock Exchange

GDR Issue I: On December 13, 2005, our Company made a placement of 18,803,504 GDRs representing 94,017,520 Equity Shares on the Alternative Investment Market of the London Stock Exchange, London at a price of 101.00 pence per GDR. Each GDR represents five Equity Shares. The placement comprised of a fresh issue of 12,000,000 GDRs representing 60,000,000 Equity Shares and 6,803,504 GDRs representing 34,017,520 Equity Shares were offered for sale by certain existing shareholders of our Company.

***GDR Issue II*:** On September 14, 2006, our Company made a sponsored issue of 57,418,843 GDRs representing 287,094,215 Equity Shares (each GDR representing five Equity Shares) on the Alternative Investment Market of the London Stock Exchange, London, at a price of 127.50 pence per GDR. There was no fresh issuance of Equity Shares for this issue since all of the 57,418,843 GDRs were offered by the existing shareholders of our Company and hence the issued capital of our Company did not increase.

Main Objects

The main objects of our Company as contained in its Memorandum of Association are:

1. To drill, produce, buy, sell, distribute, export, dispose of and deal in methane gas, natural gas, coke, tar and all other conventional and non-conventional energy products resulting from the production of gas and to carry on all the business that are usually or may be conveniently carried on by gas companies.

2. To supply gas for lighting, heating, generated power or any other purpose whatsoever.

3. To purchase, construct, take on lease or otherwise acquire mines, minerals, ore, gas, easements, rights, privileges, real estate and to open, work, explore, develop and maintain the deposits, mines, minerals and other properties and works of the company.

4. To prospect, explore, develop, maintain and carry on operations on all or any lands, gas or water wells, mines or mining rights, minerals, ores, works or other properties from time to time in the possession of the company, to erect all necessary or convenient refineries, mills, machinery, laboratories, workshops.

5. To carry on the business of generation and suppliers of electricity, steam, whether for the purpose of light, heat, generated power, industrial or other purposes, and generally to manufacture, mortgage, work, maintain and carry out all necessary cables, wires, accumulators, and apparatus connected with the generation, transmission, distribution, supplying accumulation and utilization of electricity and to use the surplus generation of electricity arising out of optimum utilization of facilities in other that these projects achieve the desired results.

Amendments to the Memorandum of Association of our Company

Since the incorporation of our Company, the following changes have been made to its Memorandum of Association:

Date	Nature of Amendment
June 29, 1993	Clause V of the Memorandum was amended whereby the initial authorized share capital of our Company was increased from Rs. 1,000,000 divided into 100,000 equity shares of Rs. 10 each to Rs. 50,000,000 divided into 5,000,000 equity shares of Rs. 10 each.
January 21, 1996	Clause I of the Memorandum was amended whereby the name of our Company was changed from "Modi McKenzie Methane Limited" to "Great Eastern Energy Corporation Limited".
September 23, 1996	Clause V of the Memorandum was amended whereby the authorized share capital of our Company was further increased from Rs. 50,000,000 divided into 5,000,000 equity shares of Rs. 10 each to Rs. 75,000,000 divided into 7,500,000 equity shares of Rs. 10 each.
April 10, 1998	Clause I of the Memorandum was amended whereby the name of our Company was changed from "Great Eastern Energy Corporation Limited" to "Great Eastern Energy Corporation Private Limited".
April 28, 1998	Clause V of the Memorandum was amended whereby the authorized share capital of our Company was further increased from Rs. 75,000,000 divided into 7,500,000 equity shares of Rs. 10 each to Rs. 120,000,000 divided into 12,000,000 equity shares of Rs. 10 each.
June 16, 1998	Clause I of the Memorandum was amended whereby the name of our Company was changed from "Great Eastern Energy Corporation Private Limited" to "Great Eastern Energy Corporation Limited".
August 17, 2001	Clause V of the Memorandum was amended whereby the authorized share capital of our Company was further increased from Rs. 120,000,000 divided into 12,000,000 equity shares of Rs. 10 each to Rs. 250,000,000 divided into 25,000,000 equity shares of Rs. 10 each.
August 17, 2001	Clause II of the Memorandum was amended whereby the registered office of our Company was shifted from New Delhi to the State of West Bengal.
July 31, 2003	Clause V of the Memorandum was amended whereby the authorized share capital of our

Date	Nature of Amendment
	Company was further increased from Rs. 250,000,000 divided into 25,000,000 equity shares of Rs. 10 each to Rs. 350,000,000 divided into 35,000,000 equity shares of Rs. 10 each.
September 30, 2004	Clause V of the Memorandum was amended whereby the authorized share capital of our Company was changed from Rs. 350,000,000 divided into 35,000,000 equity shares of Rs. 10 each to Rs. 350,000,000 divided into 350,000,000 equity shares of Re. 1 each.
September 30, 2004	Clause V of the Memorandum was amended whereby the authorized share capital of our Company was further increased from Rs. 350,000,000 divided into 350,000,000 equity shares of Re. 1 each to Rs. 500,000,000 divided into 500,000,000 Equity Shares.
March 12, 2005	Clause V of the Memorandum was amended whereby the authorized share capital of our Company was further increased from Rs. 500,000,000 divided into 500,000,000 Equity Shares to Rs. 550,000,000 divided into 550,000,000 Equity Shares.
July 15, 2006	Clause V of the Memorandum was amended whereby the authorized share capital of our Company was further increased from Rs. 550,000,000 divided into 550,000,000 Equity Shares to Rs. 650,000,000 divided into 650,000,000 Equity Shares.

Subsidiaries, Joint Ventures, Associates, Strategic and Financial Partners

Subsidiaries

Our Company does not have any subsidiaries.

Joint Ventures

Our Company does not have any joint ventures.

Associates

Our Company does not have any associates.

Strategic and Financial Partners

Our Company does not have any strategic or financial partners.

OUR MANAGEMENT

Under the Articles of Association, our Company cannot have fewer than three or more than 12 directors. Our Company currently has five Directors of which one is an executive Director and four are non-executive Directors of which three are independent Directors

The following table sets forth details regarding the Board of Directors as on the date of this Draft Red Herring Prospectus.

Name, Father's Name, Designation, Occupation, Nationality, DIN	Age and Address	Other Directorships
Mr. Yogendra Kumar Modi S/o Late Dr. K. N. Modi Chairman and Managing Director Executive Director Occupation: Industrialist Nationality: Indian DIN: 00016666	Age 60 years, residing at 33, Shivji Marg, Rangpuri, New Delhi 110 037, India.	• Modi Telecommunications Limited • YKM Holdings International Limited • YKM Holdings Private Limited • Great Eastern Energy Infrastructure Private Limited • Great Eastern Energy Marketing Private Limited • Great Eastern Energy Gas Private Limited • Great Eastern Energy City Gas Private Limited • Great Eastern CBM Gas Private Limited • Great Eastern Natural Gas Private Limited
Mr. Paul Sebastian Zuckerman S/o Late Rt. Hon Lord Zuckerman Non-Executive Director Independent Director Occupation: Businessman Nationality: British DIN: 00112255	Age 63 years, residing at 105, Grosvenor Road, London SW1V 3LG, United Kingdom.	• BlackRock UK Equity Hedge Fund Limited • BlackRock European Opportunities Hedge Fund Limited • Pall Mall Capital Limited • TechMahindra Limited • BlackRock Natural Resources Hedge Fund Limited • BlackRock UK Emerging Companies Hedge Fund Limited • BlackRock Eurasian Frontiers Hedge Funds Limited • BlackRock Middle East and North Africa Opportunities Master Fund Limited • BlackRock Middle East and North Africa Opportunities Fund Limited • BlackRock Aletsch Fund Limited • BlackRock Aletsch Master Fund Limited • BlackRock Global Macro Hedge Fund Limited • BlackRock Funds of Alternatives SPC • JM Financial Limited • Westgate Hall Nominees plc • ArcelorMittal Brasil S.A • Zuckerman & Associates Limited • ArcelorMittal Mexico, S.A. de C.V. • ArcelorMittal Vinton Inc. • ArcelorMittal Las Truchas, S.A. de C.V. • Iceni Mobile Limited • Art Fund Services Limited • Westminster Garden Properties Limited • Burnham Overy Boathouse Limited
Mr. Pejavar Murari S/o Late Mr. P. Mohan Rau Non-Executive Director Independent Director Occupation: Retired professional Nationality: Indian DIN: 00020437	Age 74 years, residing at No. 2, Gilchrist Avenue, Off. Harrington Road, Chetpet, Chennai 600 031, Tamil Nadu, India.	• Aban Offshore Limited • Taurus Asset Management Company Limited • HEG Limited • South Asian Petrochem Limited • Xpro India Limited • Bajaj Auto Limited • GlaxoSmithKline Consumer Health Care Limited • Aditya Birla Nuvo Limited • Adayar Gate Hotel Limited • Strategic Weighing Systems Limited

Name, Father's Name, Designation, Occupation, Nationality, DIN	Age and Address	Other Directorships
		• Nuziveedu Seeds Limited • Idea Cellular Limited • Bajaj Holdings & Investment Limited
Mr. Kashi Nath Memani S/o Late Mr. B.D. Memani Non-Executive Director Independent Director Occupation: Retired professional Nationality: Indian DIN: 00020696	Age 69 years, residing at 177C, Lane W-7, Western Avenue, Sainik Farms, New Delhi 110 062, India.	• DLF Limited • Emami Limited • HEG Limited • HT Media Limited • ICICI Venture Funds Management Company Limited • India Glycols Limited • Aegon Religare Life Insurance Company Limited • National Engineering Industries Limited • Aegon India Business Services Private Limited • HT Consultancy Services Private Limited • KNM Advisory Private Limited • Spice Televentures Private Limited • JK Lakshmi Cement Limited
Mr. Haigreve Khaitan S/o Mr. Pradeep Kumar Khaitan Non-Executive Director Occupation: Professional Nationality: Indian DIN: 00005290	Age 38 years, residing at 1104, Sterling Seaface, Dr. Annie Besant Road, Worli, Mumbai 400 018, Maharashtra, India.	• Ceat Limited • Dhunseri Tea and Industries Limited • Gujarat Borosil Limited • Harrisons Malayalam Limited • Hindustan Composites Limited • Inox Leisure Limited • National Engineering Industries Limited • Rama Newsprint and Papers Limited • Sterlite Technologies Limited • The Madras Aluminium Company Limited • The Oudh Sugar Mills Limited • Xpro India Limited • AVTEC Limited • Bennett, Coleman & Company Limited • BTS Investment Advisors Private Limited • I.G.E. (India) Limited • Khaitan Consultants Limited • Vinar Systems Private Limited • Millipore India Private Limited • TCPL Packing Limited

Brief Profile of the Directors

Mr. Yogendra Kumar Modi, the Executive Chairman and Managing Director of our Company has been associated with our Company since its incorporation on May 29, 1992. He has conceived, implemented and operated several large projects in industrial textiles, chemicals, cement, electronics and auto-components businesses. He holds a bachelor's degree in textiles from the University of Punjab. He founded our Company and has 36 years of experience in the oil and gas industry. He is a member of the Dean's Council at John F. Kennedy School of Government, Harvard University, USA. He is a prominent industry spokesman and has held offices in many national level business bodies, including the Federation of Indian Chambers of Commerce & Industry as its President in 2004, Executive Committee and Standing Advisory Committee and the International Chamber of Commerce (India) as its President in 2006. He is also a member of the governing body of International Labour Organization, Geneva.

Mr. Paul Sebastian Zuckerman, is a former investment banker who is Chairman of Zuckerman & Associates Limited, a boutique organization specialising in start up companies. He holds an M.A. from the University of Cambridge, a Ph.D. from the University of Reading and has 40 years of experience in the field of finance. He has spent 14 years with S.G. Warburg & Co. Limited. He has served as an executive director of S.G. Warburg & Co. Limited and Vice Chairman of S.G. Warburg International, as the Deputy Chairman of ICAP Plc. and on the

board of a group of hedge funds managed by BlackRock Inc. Currently, he is a director of many companies, including ArcelorMittal Group Companies in Mexico and Brazil and JM Financial Limited. He joined our Company as an additional Director on November 7, 2005.

Mr. Pejavar Murari, has served as a civil servant for 37 years and is a member of various public bodies including committees within the Department of Atomic Energy, and the Ministry of Heavy Industries and Public Enterprises, GoI. He holds a master's degree in economics from Madras University. He qualified the state civil services and the Indian administrative services in 1955 and 1957 respectively. He has undertaken many special projects for the GoI and has chaired numerous high level commissions & committees. He is also currently the chairman of a committee set up by the Ministry of Home Affairs, GoI on centre-state relations. He joined our Company as an additional Director on July 31, 2004.

Mr. Kashi Nath Memani, was the Chairman and Country Managing Partner for Ernst & Young in India until March 31, 2004. He is a member of the Institute of Chartered Accountants of India. He was also a member of the Ernst & Young Global Council for 10 years. He was a member of the National Advisory Committee on Accounting Standards, the Accounting Standards Board of the Institute of Chartered Accountants. Further, he was the Co-chairman of the committee formed by the GoI to draft a bill for the amendment to the Companies Act. He was also the Chairman of the American Chamber of Commerce in India, and is the former President of PHD Chamber of Commerce & Industry. For two consecutive years, he was a member of the External Audit Committee of the International Monetary Fund. Presently, he is a member of the Executive Committees of Chambers of Commerce. He is also the Chairman of the Quality Review Board set up by the Ministry of Corporate Affairs, GoI.

Having a career of 48 years in the field of finance, Mr. Memani specializes in, *inter alia*, business and corporate advisory, foreign taxation and financial consultancy and is consulted on the corporate matters by several domestic and foreign companies. He has advised several multi-national companies in setting up businesses in India and is currently on the Board of some companies including DLF Limited, ICICI Venture Funds Management Company, Aegon Religare Life Insurance Company Limited and HT Media. He joined our Company as an additional Director on October 26, 2004.

Mr. Haigreve Khaitan, is a lawyer by profession and is a partner of Khaitan & Co., Advocates, established in 1911. Mr. Khaitan has obtained his law degree from University of Calcutta and started practicing as lawyer since 1995. He has 13 years of experience in the fields of commercial and corporate laws, securities laws, mergers and acquisitions, tax laws, restructuring, foreign collaboration, licensing and financing. He is also on the board of many reputed companies. He was initially inducted on the Board as an alternate Director to Mr. John C. Bailey on November 7, 2005 and was thereafter appointed as an additional Director on February 6, 2006.

None of our Directors are related to each other.

Remuneration of the Directors

Executive Director

Mr. Yogendra Kumar Modi

Mr. Yogendra Kumar Modi was inducted as the Chairman and Managing Director on the Board by resolution of the shareholders at the EGM dated January 28, 2005 with effect from December 20, 2004 for a period of five years until December 19, 2009 and was reappointed as a Director liable to retire by rotation by resolution of the shareholders at the AGM dated July 17, 2008. The remuneration payable to him, pursuant to a resolution of the Board dated February 19, 2007 and as approved by the resolution of the shareholders at the AGM dated July 16, 2007 is detailed hereinbelow:

a) Basic Salary: Rs. 450,000 per month.
b) House Rent Allowance: Our Company shall provide a rent-free accommodation for the residential purposes or House Rent Allowance equal to 60% of the salary.
c) Provident Fund: Our Company's contribution to the Provident Fund as the Provident Fund Act and Rules, subject to the limit not taxable under the I.T. Act.
d) Pension/Superannuation Fund: Our Company's contribution to the Pension/Superannuation Fund, subject to the limit not taxable under the I.T. Act.

e) Gratuity: Gratuity for half month's salary for each completed year of service.
f) Leave Encashment: Encashment of a maximum 30 days earned leaves for each completed year of continuous service at the end of the tenure.
g) Leave Travel Concession: Leave Travel Concession for self and family once in a year subject to a ceiling of one month's salary in a year or two months' salary over a period of two years.
h) Medical Benefits: Reimbursement of medical expenses actually incurred for self and family subject to a ceiling of one month's salary in a year or two months' salary over a period of two years.
i) Club Fees: Admission or membership in two clubs on actual basis subject to one month's salary in a year.
j) Car: Our Company shall provide a car with driver for official usage. The use of car for personal purposes, if any, shall be charged on actual basis, subject to applicable limits as may be prescribed under the IT Act.
k) Telephone: Our Company shall provide the telephone facilities for official purposes.
l) Entertainment Expenses: Reimbursement of monthly entertainment expenses actually incurred on official purposes subject to a ceiling of one month's salary.

The Ministry of Corporate Affairs, GoI, has, pursuant to its letter dated November 21, 2007 (bearing reference number 12/759/2007-CL.VII) stated that notwithstanding the limits of 5% and 10% of the net profits laid down in Section 309(3) of the Companies Act, and the overall limits of 11% of the net profits as laid down in Section 198(1), the total increased remuneration payable to Mr. Yogendra Kumar Modi for the period with effect from March 1, 2007 to December 19, 2009, shall be Rs. 1,010,250 per month.

The following table details the gross remuneration paid to Mr. Yogendra Kumar Modi during Fiscal 2008.

Particulars	Amount (Rs.)
Salaries and allowances	
Salary (including house rent allowance)	8,640,000
Contribution to funds	648,000
Other benefits	205,298
Total	**9,493,298**

The above does not include accrual/provisions made but represents actual payment made on account of remuneration on cash basis.

Our Company has, through a resolution of its shareholders on September 8, 2008, approved a further enhancement of the remuneration payable to Mr. Yogendra Kumar subject to the approval of the Central Government and a consortium of banks led by the State Bank of India ("**Lenders**"), the details of which are as follows:

a) Basic Salary: Rs. 900,000 per month.
b) House Rent Allowance: Our Company shall provide a rent-free accommodation for the residential purposes or House Rent Allowance equal to 60% of the salary.
c) Provident Fund: Our Company's contribution to the Provident Fund as the Provident Fund Act and Rules, subject to the limit not taxable under the I.T. Act.
d) Pension/Superannuation Fund: Our Company's contribution to the Pension/Superannuation Fund, subject to the limit not taxable under the I.T. Act.
e) Gratuity: Gratuity for half month's salary for each completed year of service.
f) Leave Encashment: Encashment of a maximum 30 days earned leaves for each completed year of continuous service at the end of the tenure.
g) Leave Travel Concession: Leave Travel Concession for self and family once in a year subject to a ceiling of one month's salary in a year or two months' salary over a period of two years.
h) Medical Benefits: Reimbursement of medical expenses actually incurred for self and family subject to a ceiling of one month's salary in a year or two months' salary over a period of two years.
i) Club Fees: Admission or membership in two clubs on actual basis subject to one month's salary in a year.
j) Car: Our Company shall provide a car with driver for official usage. The use of car for personal purposes, if any, shall be charged on actual basis, subject to applicable limits as may be prescribed under the IT Act.
k) Telephone: Our Company shall provide the telephone facilities for official purposes.

l) Entertainment Expenses: Reimbursement of monthly entertainment expenses actually incurred on official purposes subject to a ceiling of one month's salary.

Our Company submitted an application dated October 10, 2008 to the Central Government for approval of the enhanced remuneration. As of the date of filing of this Draft Red Herring Prospectus, the enhanced remuneration is not in effect since our Company still awaits the approval of the Central Government and the Lenders for the same. In the event such approvals are granted the enhanced remuneration will be payable with effect from October 1, 2008. For further details of the restrictive covenants in relation to the loan availed from the Lenders, see the section titled "Financial Indebtedness" on page 183.

Non-executive and Independent Directors

Except for Mr. Paul Sebastian Zuckerman who is a non-executive Director, no other non-executive and/or independent Directors are paid any remuneration, but are paid sitting fees for attending meetings. The Board approved the payment of remuneration of £ 50,000 p. a. to Mr. Paul Sebastian Zuckerman pursuant to its resolution dated February 19, 2007, as approved by the resolution of the shareholders at the EGM dated March 27, 2006. The Ministry of Company Affairs, GOI, has, pursuant to letter dated April 4, 2007 bearing reference number 12/276/2006-CL.VII, approved the payment of remuneration of £ 50,000 (Pound Sterling fifty thousand only) p.a. (or equivalent) to him with effect from November 7, 2006 to November 6, 2010. Mr. Paul Sebastian Zuckerman was paid a gross compensation of Rs. 3,738,382 during Fiscal 2008 on cash basis.

The sitting fees to which the non executive and/or independent Directors are entitled either for being present in a meeting of the Board or in the capacity of a chairman of a committee of the Board or as a member of a committee of the Board, is Rs. 20,000 as approved by the Board resolution dated July 26, 2005.

Appointment of the Directors

Name of the Director	Resolution	Term
Mr. Yogendra Kumar Modi	July 17, 2008*	Liable to retire by rotation
Mr. Paul Sebastian Zuckerman	July 16, 2007	Liable to retire by rotation
Mr. Pejavar Murari	July 15, 2006	Liable to retire by rotation
Mr. Kashi Nath Memani	July 15, 2006	Liable to retire by rotation
Mr. Haigreve Khaitan	July 17, 2008	Liable to retire by rotation

** Mr. Yogendra Kumar Modi was appointed as the Chairman and Managing Director for a period of five years with effect from December 20, 2004 pursuant to a resolution of the shareholders at the EGM dated January 28, 2005. Pursuant to a resolution of the shareholders at the AGM dated July 17, 2008, he was re appointed as a Director liable to retire by rotation.*

Borrowing Powers of the Board

Pursuant to a resolution of the shareholders of our Company dated July 15, 2006, the Board has been authorized to borrow sums of money for the purpose of our 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 our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business) shall not exceed, at any time, a sum of Rs. 5,000 million.

For further details on the borrowing powers of the Board as authorised by our Articles of Association see the section titled "Main provisions of Articles of Association" on page 271.

For details of the borrowing of our Company, see the section titled "Financial Indebtedness" on page 183.

Shareholding and Interest of the Directors

Except Mr. Paul Sebastian Zuckerman, who currently holds 165,466 GDRs of our Company, thereby enjoying a beneficial interest in 827,330 Equity Shares, and Mr. Kashi Nath Memani who currently holds 29,000 GDRs of our Company thereby enjoying a beneficial interest in 145,000 Equity Shares, none of our Directors hold any Equity Shares or GDRs of our Company.

Mr. Haigreve Khaitan, is a partner of Khaitan & Co., Advocates which is providing legal services to our Company on a case to case basis for which it receives fees for the services rendered. Khaitan & Co., Advocates

has also been engaged by the Company as Company's counsel for the Issue.

All the Directors, including independent 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 other remuneration and reimbursement of expenses, if any, payable to them under the Articles of Association and the executive Directors are also interested to the extent of remuneration paid to them for services rendered as officers or employees of our Company.

The Directors, including independent Directors, may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and Allotted to the companies, firms and trust, in which they are interested as directors, members, partners or trustees and to the extent of options under the ESOP 2008 which they currently hold or may hold in future. 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. For details regarding the shareholding/GDR holding of our Directors in our Company, see the section titled "Capital Structure – Notes to Capital Structure" on page 29.

The Directors have no interest in any property acquired by our Company within two years prior to the date of filing of this Draft Red Herring Prospectus.

Except as stated above and in the section titled "Financial Statements" on page 111, and to the extent of compensation and commission, if any, and their shareholding in our Company, the Directors other than the Promoters do not have any other interest in our business.

Changes in the Board of Directors during the last three years

Name	Date of Latest Appointment	Date of Cessation	Reason
Mr. Prashant Modi	January 20, 1997	July 31, 2006	Resignation
Dr. Prashanta Kumar Roy	February 12, 2005	August 19, 2006	Resignation
Mr. Pejavar Murari	July 15, 2006	N.A	Appointment
Mr. Kashi Nath Memani	July 15, 2006	N.A	Appointment
Mr. Paul Sebastian Zuckerman	July 16, 2007	N.A	Appointment
Mr. Haigreve Khaitan	July 17, 2008	N.A	Appointment
Mr. Yogendra Kumar Modi	July 17, 2008	N.A	Appointment
Mr. Serajul Haq Khan	July 16, 2007	December 5, 2008	Resignation

Corporate Governance

The provisions of the listing agreements to be entered into with the Stock Exchanges with respect to corporate governance become applicable to our Company at the time of seeking in-principle approval of the Stock Exchanges. Our Company has complied with the requirements of corporate governance contained in the listing agreement, particularly those relating to the composition of Board and constitution of committees such as Audit Committee, Shareholders/Investors Grievance Committee and Remuneration Committee. Further, our Company undertakes to take all necessary steps to comply with all the requirements of the guidelines on corporate governance and adopt the corporate governance code as per clause 49 of the listing agreement to be entered into with the Stock Exchanges, as would be applicable to our Company upon the listing of its Equity Shares.

Currently, our Board has five Directors, of which the Chairman of the Board is an executive Director, and in compliance with the requirements of clause 49 of the listing agreement, our Company has four non-executive Directors and three independent Directors.

In terms of the clause 49 of the listing agreement, our Company has constituted the following committees:

(a) Audit Committee;
(b) Remuneration/Compensation Committee; and
(c) Shareholders'/Investors' Grievance Committee.

Audit Committee

The Audit Committee was constituted by the Board by their resolution dated March 31, 2001 and the scope of the committee was revised by their resolution dated August 6, 2008 in accordance with clause 49 of the listing agreement.

The constitution of the Audit Committee is as follows.

Name of the Directors	Executive/Non-executive/Independent
Mr. Kashi Nath Memani (Chairman)	Non executive/Independent Director
Mr. Paul Sebastian Zuckerman	Non executive/Independent Director
Mr. Pejavar Murari	Non executive/Independent Director

The terms of reference of the Audit Committee include:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management of our Company, the annual financial statements before submission to the board for approval, with particular reference to:
    a. 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;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by the management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions;
    g. Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
9. Discussion with internal auditors any significant findings and follow up there on;
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
13. To review the functioning of the whistle blower mechanism, in case the same is existing;
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
15. To investigate any activity within its terms of reference;
16. To seek information from any employee;
17. To obtain outside legal or other professional advice;
18. To secure attendance of outsiders with relevant expertise, if it considers necessary;
19. Mandatorily review the following information:
    a. Management discussion and analysis of financial condition and results of operations;
    b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
    c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
    d. Internal audit reports relating to internal control weaknesses; and

20. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

Remuneration Committee/Compensation Committee

The Board, pursuant to their resolution dated December 20, 2004 had constituted the Remuneration Committee. The Remuneration Committee was thereafter renamed as the Remuneration Committee/Compensation Committee and the scope of the committee was revised by the Board's resolution dated August 6, 2008 in accordance with clause 49 of the listing agreement.

The constitution of the Remuneration Committee/Compensation Committee is as follows.

Name of the Directors	Executive/Non-executive/Independent
Mr. Pejavar Murari (Chairman)	Non executive/Independent Director
Mr. Kashi Nath Memani	Non executive /Independent Director
Mr. Haigreve Khaitan	Non executive Director

The terms of reference of the Remuneration Committee/Compensation Committee include:

1. Framing Company's policy on specific remuneration packages for executive Directors including pension rights and any compensation payment;
2. Framing suitable policies and systems to ensure that there is no violation, by an employee of our 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.
3. Performing such functions as are required to be performed by the Remuneration Committee/Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended;
4. Undertaking such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the committee.

Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee was constituted by the Board by their resolution dated August 6, 2008. The Shareholders/Investors Grievance Committee is responsible for the redressal of investor grievances.

The Shareholders/Investors Grievance Committee has been constituted in accordance with clause 49 of the listing agreement.

The constitution of the Shareholders/Investors Grievance Committee is as follows:

Name of the Directors	Executive/Non-executive/Independent
Mr. Pejavar Murari (Chairman)	Non executive /Independent Director
Mr. Kashi Nath Memani	Non executive /Independent Director
Mr. Yogendra Kumar Modi	Executive Director

The terms of reference of the Shareholders/Investors Grievance Committee are to redress the grievances and complaints of the shareholders/investors, in relation to, inter alia, the following:

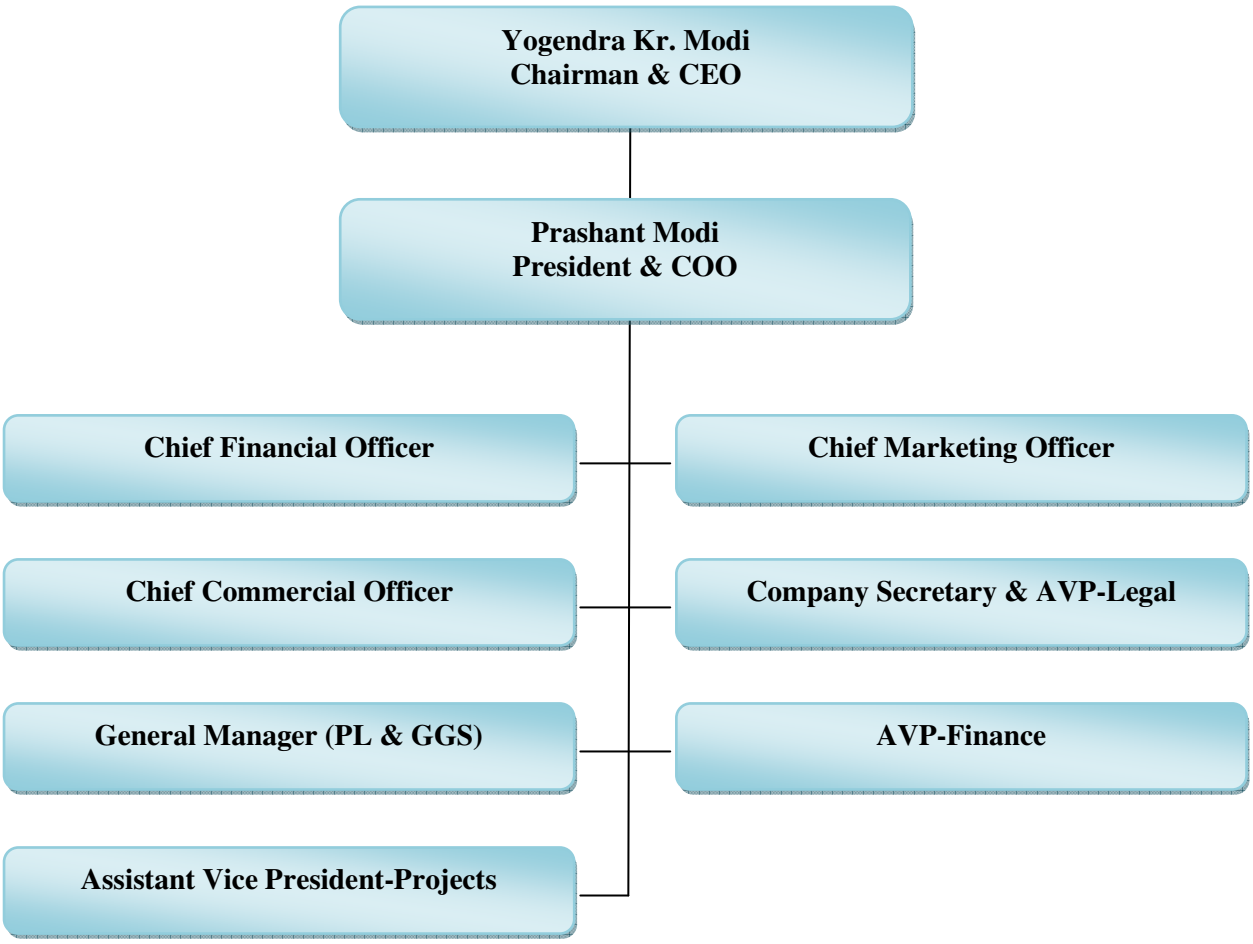
a) Non-receipt of the Equity Shares after transfer;
b) Non-receipt of the annual report, balance sheet etc.;
c) Non-receipt of declared dividends;
d) Complaints of investors routed by SEBI or Stock Exchanges;
e) Affixing of common seal on share certificates and maintain safe custody of common seal;
f) Sub-division/ consolidation of share certificates;
g) Approval and registration of transfers or transmission of shares, as the case may be;
h) Issue of duplicate share certificates in lieu of lost share certificates;
i) Request relating dematerialisation and rematerialisation of shares;
j) Electronic clearing service for dividend payment;

k) Amounts transferable to the Investor Education and Protection Fund;
l) Profile of investors; and
m) Other matters related to or arising out of shareholders/investors services.

Other Committees

In addition to the committees mentioned above, our Company has constituted a Share Transfer Committee to *inter alia* redress issues related to share transfer, a Finance Committee for *inter alia* overseeing routine financial and/or related matters and an IPO Committee for the purposes of the Issue.

Management Organisational Structure



Key Managerial Employees

In addition to the whole time directors of our Company, the following are the Key Managerial Employees of our Company.

Mr. Prashant Modi, aged 35 years, is the President and Chief Operating Officer of our Company. He has been associated with our Company and our Promoter Group companies since 1996. He is responsible for day-to-day operations of our Company and supervised our Company's efforts in relation to the listing of our Company's GDRs at the Alternate Investment Market in the London Stock Exchange in 2005 and 2006.

Mr. Prashant Modi has received degree in Bachelor of Science in Business Administration from Boston University, USA with a major in finance. He has also undertaken executive education courses from Harvard Business School, USA, one in finance and another on launching new ventures.

He is a member of the Environment Task Force Committee of the Federation of Indian Chambers Commerce and Industry. Prior to joining the Y.K. Modi Group, he worked with ANZ Bank, London and Qualcomm Inc, San Diego, USA.

Mr. S. Suriyanarayanan, aged 47 years, is the Chief Financial Officer of our Company. He is responsible for framing of financial policies and managing the financial affairs of our Company He holds a bachelor's degree in Commerce from Madras University. He is an associate member of the Institute of Chartered Accountants of India. He has over 21 years of experience in finance, accounts, mergers and acquisitions, capital markets and corporate governance. He joined our Company as Chief Financial Officer on September 17, 2008. Prior to joining our Company he has worked for over six years in Cairn Energy India and British Gas (particularly in relation to the oil and gas business), for six years in Whirlpool India Limited, three years in Sterlite Industries Limited (in their aluminium division), three years in DCL Polyesters Limited and three years in Bharat Yantra Nigam Limited.

Mr. Parveen Arora, aged 44 years, is our Company Secretary and Assistant Vice President – Legal of our Company. He is responsible for the legal, secretarial, statutory compliance and corporate affairs of our Company. He holds a bachelors' degree in Commerce from Maharshi Dayanand University, Rohtak, and a bachelors' degree in law from Delhi University. He is also a fellow member of the Institute of Company Secretaries of India. He joined our Company as our Company Secretary and the Assistant Vice President (Legal) on August 14, 2006. He has an experience of approximately 15 years in the industry. Prior to joining our Company, he was associated with the PSL group for 12 years and the Indian Metal & Ferro Alloys, an Orissa based group, as an executive officer for one year. He has also been associated with Allahabad Bank as an assistant for eight years.

Mr. Arun Nevatia, aged 51 years, is the Chief Commercial Officer of our Company. He is responsible for negotiating, approving and overseeing the various commercial contracts entered into by our Company in its day-to-day business. He holds a bachelors' degree in Commerce from Punjab University and is a qualified fellow chartered accountant from the Institute of Chartered Accountants of India. He has a vast experience of over 25 years in the industry. He has been associated with the Y.K. Modi Group since 1991 and joined our Company as the Chief Commercial Officer on May 1, 2008. Further, he has been associated with our Company as the Vice President (Corporate Finance) since May 2000. He has served the Ruia Group as the Chief Financial Officer of Dunlop India Limited for a year. He has also been associated with Rossell Industries Limited as its Vice President (Europe) and Vice President (Corporate Finance). He has also been associated with P.R. Mehra & Sons, Chartered Accountants, as its Partner for four years. He has also been involved in setting up an independent unit for manufacturing hard gelatine empty capsules at Bhatinda, Punjab for a period of four years.

Mr. Subrat Das, aged 45 years, is the Assistant Vice President (Finance) of our Company. He is responsible for maintaining finance and accounts of our Company. He holds a bachelors' degree in Commerce from Utkal University, Orissa and is a fellow chartered accountant from the Institute of Chartered Accountants of India. He has a vast experience of over 19 years in the industry. He has been associated with our Company since February 1, 2002 as Senior Manager (Finance) and then as its Assistant Vice President (Finance) since July 26, 2007. Prior to joining us, he had a wide experience in projects and corporate finance with Ortel Communications Limited as its General Manager (Finance), UNDP/Global Environment Fund Project under the Ministry of Steel, GoI as Head (Finance and Administration), Modi Korea Telecommunications Limited as its Head of Finance and Accounts, Usha Ispat Limited as Manager (Finance) and Rathi Alloys & Steel Limited.

Mr. Paramjeet Singh, aged 39 years, is the General Manager (Pipeline and Group Gathering Station) of our Company. He is responsible for marketing of our Company and liasoning with the relevant statutory authorities for the requisite approvals in relation to the pipelines and group gathering stations of our Company. He holds a bachelors' degree in chemical engineering from Annamalai University and has undertaken a certificate course in piping engineering from Indian Institute of Technology, Powai. He has an experience of over 15 years in the field of consultancy construction and operation in oil, gas and petroleum products. Prior to joining our Company on January 4, 2007, he was associated with Indraprastha Gas Limited as the Chief Manager (CNG – Projects) for four years, MECON Limited as its Senior Design Manager for nine years and UB Petroleum Limited for a year.

Mr. Tridib Ghosh, aged 57 years, is the Assistant Vice President-Projects of our Company. He is responsible for framing the project related policies and responsible for the CBM Project at Asansol, West Bengal. He holds a bachelor's degree in technology (honours) in Chemical Engineering from Indian Institute of Technology, Kharagpur, West Bengal. He also holds a master's degree in technology in Chemical Engineering from Indian Institute of Technology, Kharagpur, West Bengal. He has over 34 years of experience in the field of engineering. He joined our Company as Assistant Vice President-Projects September 29, 2008. Prior to joining our Company, he has worked for over two years in Essar Oil Limited, for over six years in Geoenpro Petroleum Limited, over five years in C.K. Birla group of Companies, thirteen years in Indian Oil Corporation, Digboi Refinery, three years in State Bank of India and over four years in Indian Oil Corporation, Haldia Refinery.

All the Key Managerial Employees mentioned above are permanent employees of our Company.

Except for our Promoter, and executive Director, Mr. Yogendra Kumar Modi who is the father of Mr. Prashant Modi, one of our Key Managerial Employees, none of our Key Managerial Employees are related to each other or any Director.

Shareholding of the Key Managerial Employees

None of the Key Managerial Employees hold any Equity Shares.

Bonus or profit sharing plan of our Key Managerial Employees

Except the ESOP 2008, there is no other bonus or profit sharing plan for our Key Managerial Employees. For details of ESOP 2008, see the section titled "Capital Structure – Notes to Capital Structure – Employee Stock Option Scheme" on page 29.

Interest of Key Managerial Employees

None of our Key Managerial Employees have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business, or GDRs held by them, if any, and to the extent of options under the ESOP 2008 which they currently hold or may hold in future.

Changes in the Key Managerial Employees

The following are the changes in the Key Managerial Employees in the last three years preceding the date of filing this Draft Red Herring Prospectus other than by way of retirement in the normal course.

Name	Designation	Date of Appointment	Date of Cessation	Reason
Mr. S.K. Grover	Vice President - Project Development	April 1, 2005	February 7, 2006	Resignation
Mr. Muneesh Sud	Company Secretary	September 13, 2005	May 12, 2006	Resignation
Mr. Parveen Arora	Company Secretary	August 14, 2006	N.A	Appointment
Mr. Prashant Modi	President and Chief Operating Officer	August 1, 2006	N.A	Appointment
Mr. Paramjeet Singh	Deputy General Manager (Pipeline and Group Gathering Station)	January 4, 2007	N.A	Appointment
Mr. S. Sen Sharma	Chief Financial Officer	October 24, 2005	February 12, 2007	Resignation

Name	Designation	Date of Appointment	Date of Cessation	Reason
Mr. Arun Nevatia	Vice President - Corporate Finance	April 27, 2000	April 30, 2007	Resignation
Mr. Subrat Das	Assistant Vice President (Finance)	July 26, 2007	N.A	Appointment
Mr. Govind Sharda	Chief Financial Officer	April 6, 2007	July 31, 2007	Resignation
Mr. Chris Hogle	Executive Vice President - Exploration and Production	September 13, 2006	February 16, 2008	Resignation
Mr. Arun Nevatia	Chief Commercial Officer	May 1, 2008	N.A	Appointment
Mr. V.K. Varshney	Vice President - Sales and Marketing	October 7, 2005	June 16, 2008	Resignation
Mr. D.N. Bhatia	Chief Financial Officer	September 10, 2007	September 27, 2008	Resignation
Mr. S. Suriyanarayanan	Chief Financial Officer	September 17, 2008	N.A.	Appointment
Mr. Tridib Ghosh	Assistant Vice President-Projects	September 29, 2008	N.A.	Appointment

Employee Stock Option Scheme

For details of our ESOP 2008, see the section titled "Capital Structure – Notes to Capital Structure – Employee Stock Option Scheme" on page 29.

Loans taken by Directors / Key Managerial Employees

Our Directors and Key Managerial Employees have not taken any loan from our Company.

Payment or benefit to our officers (non-salary related)

Our Company has, pursuant the approval of the Board at its meeting held on November 16, 2007, reimbursed Rs. 28.90 million to Mr. Yogendra Kumar Modi, our Promoter and Managing Director, for the payment of Rs. 28.90 million made by him to State Bank of India against their original demand of Rs. 61.70 million in order to obtain approval of a debt facility of Rs. 3,500 million to our Company from a consortium of banks and a financial company led by the State Bank of India. The consortium had withheld approval of the facility amount to our Company as an old personal guarantee furnished by Mr. Yogendra Kumar Modi to State Bank of India for the borrowings of Spark Plug Limited ("**SPL**"), a company of which he was then a director, was outstanding, and the dues of SPL were not cleared. Mr. Yogendra Kumar Modi has filed a suit against Mr. Mahendra Kumar Modi, and Mr. D. K. Modi to recover the amounts paid to the State Bank of India. For further details of the suit filed by Mr. Yogendra Kumar Modi, see the section titled "Outstanding Litigation and Material Developments" on page 188.

Except for the reimbursement of Rs. 28.90 million by our Company to Mr. Yogendra Kumar Modi as described above, no amount or benefit has been paid or given to any officer of our Company within the two preceding years from the date of filing of this Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment and other than the options granted to them under our ESOP and the Equity Shares to be allotted to them on exercise of options from time to time.

OUR PROMOTERS AND PROMOTER GROUP

Promoters

Mr. Yogendra Kumar Modi and YKM Holdings Private Limited are the promoters of our Company:

The details of our Promoters are as follows:

1. Mr. Yogendra Kumar Modi



Identification Particulars	Details
Passport no.	Z-1174860
Voter ID no.	Not Available
Driving License no.	P09052002255603
Bank account no.	105701000043430 of HDFC Bank

For more details of Mr. Yogendra Kumar Modi, see the section titled "Our Management" on page 83.

2. YKM Holdings Private Limited

YKM Holdings Private Limited was incorporated on April 3, 1990 as Modi Enterprises Private Limited under registration no. 04-13574 with the Registrar of Companies, Gujarat. The name of the company was changed to YKM Holdings Private Limited on March 21, 1995 by way of fresh certificate of incorporation issued by the Registrar of Companies, Gujarat. The registered office of the company was originally situated at 4, B.E., Resham Bhawan, Lal Darwaja, Surat, Gujarat, India. Subsequently, the registered office of the company was shifted to 2281, Near Raipur Gate, Ahmedabad, Gujarat with effect from February 16, 1994. Further, pursuant to the order dated April 20, 1995 of the Company Law Board, Bombay, the registered office of the company was shifted to New Delhi and was situated at 210, Okhla Industrial Estate, Okhla Phase-II, New Delhi 110 020, India. The registered office of the company was thereafter shifted to 33, Shivji Marg, Rangpuri, New Delhi 110 037, India with effect from May 18, 2001 and to 14th Floor, Signature Towers-A, NH-8, South City, Gurgaon, Haryana, India with effect from April 20, 2007.

Prayog T-Pack Industries Limited, Dear Securities Private Limited, Yog Securities Private Limited and Momentum Investment Private Limited were merged with YKM Holdings Private Limited pursuant to the provisions of the scheme of amalgamation as approved by the order dated August 31, 2001 of the High Court of Delhi in Company Petition number 450 of 2001.

Pursuant to a scheme of merger of YKM Investment Limited, Trend-Setter Securities & Credits Private Limited, Bokel Investments Limited and Fame Securities & Credits Private Limited with YKM Holdings Private Limited as approved by the order dated February 29, 2008 of the High Court of Punjab and Haryana, Chandigarh in Company Petition number 153 of 2007, the above mentioned companies transferred their entire business and whole of undertakings to YKM Holdings Private Limited.

Promoter: Mr. Yogendra Kumar Modi

In 1994, the management of YKM Holdings Private Limited was transferred from the group of companies and entities promoted by Dr. K.N. Modi to Mr. Yogendra Kumar Modi pursuant to a memorandum of family

settlement dated March 16, 1995 effective retrospectively from January 9, 1994 entered into amongst Mr. Yogendra Kumar Modi, Dr. K.N Modi, Mr. Mahendra Kumar Modi and Mr. Devendra Kumar Modi.

CIN: U31504HR1991PTC036885

The main objects of the company are to carry on the business of manufacturers, buyers, sellers, importers, exporters and agents for all kinds of electric lamps and other objects ancillary to the main objects include investments.

YKM Holdings Private Limited is registered with the RBI since May 13, 2003 (registration no. N.14.02916) to commence/ conduct the business of a non-banking financial institution without accepting public deposits. Subsequently, on May 16, 2008, YKM Holdings Private Limited submitted an application for cancellation of the registration stating that the reason for the same is that it is no longer dealing in activities for which the registration is required. The said application is currently pending with the RBI.

Board of directors

The board of directors of YKM Holdings Private Limited as on November 30, 2008 comprises Mr. Yogendra Kumar Modi and Ms. Asha Modi.

Shareholding pattern

The shareholding pattern of YKM Holdings Private Limited as at November 30, 2008 is as under:

S. No.	Names of Shareholder	No. of equity shares held	% of Shareholding
1.	Yogendra Kumar Modi (HUF)	1,852,511	79.33
2.	YKM Holdings Trust	402,736	17.25
3.	Ms. Asha Modi	28,507	1.22
4.	CBM Investments Limited	27,237	1.17
5.	Mr. Yogendra Kumar Modi*	20,793	0.89
6.	Mr. Prashant Modi	2,819	0.12
7.	National Insurance Company Limited	128	0.01
8.	The New India Assurance Company Limited	76	Negligible
9.	Stock Holding Corporation of India	46	Negligible
10.	The Oriental Insurance Company Limited	41	Negligible
11.	Komaf Financial Services Limited	34	Negligible
12.	Mr. Navratan Mohta	16	Negligible
13.	Mr. Ashok G. Nanwani	14	Negligible
14.	Mr. Chandra Kant Bhartia	7	Negligible
15.	Mr. Radhe Mohan Agarwalla	7	Negligible
16.	Ms. Yashomati Vuirebdra Kumar, Mr. Naresh Virendra Rana and Ms. Jasmine Rajesh Nanavati	7	Negligible
17.	Contemporary Industries & Leasing Limited	5	Negligible
18.	Mr. Suresh Kedia	5	Negligible
19.	KPK Investments Limited	4	Negligible
20.	Ms. Lata Pramod Saha	4	Negligible
21.	Mr. Lad Kumar Lodha	4	Negligible
22.	Mr. Rakesh Chhotubhai Patel	4	Negligible
23.	Mr. Ram Prakash Saboo	4	Negligible
24.	Rayang Timber Products Private Limited	4	Negligible
25.	Ms. Smitarani Panigrahi	4	Negligible
26.	Mr. Gulam Mohamed Y. Gaba and Ms. Fatimabibi G. Gaba	3	Negligible
27.	Mr. George A. Varkey	3	Negligible

S. No.	Names of Shareholder	No. of equity shares held	% of Shareholding
28.	Mr. Biswabijoyee Panigrahi	3	Negligible
29.	Mr. M.S. Krishna Murthy	3	Negligible
30.	Mr. Mahabir Prasad Tanwar and Ms. Gawara Devi Tanwar	3	Negligible
31.	Mr. Manohar Lal Agarwalla	3	Negligible
32.	Mr. Nemichand Kankani and Mr. Kamal Kankani	3	Negligible
33.	Mr. Nilesh Meghji and Ms. Sushila Meghji	3	Negligible
34.	Mr. Nilesh Meghji and Ms. Nanji Meghji	3	Negligible
35.	Mr. Pratap Narsee Thakar	3	Negligible
36.	Ms. Rama Dubey	3	Negligible
37.	Mr. Rupal Dhupelia and Mr. Mohan Dhupelia	3	Negligible
38.	Mr. Sudipta Kumar Ganguly and Ms. Piya Ganguly	3	Negligible
	Total	**2,335,056**	**100.00**

***** *In addition to the shareholding above, Mr. Yogendra Kumar Modi also holds 1,000 preference shares of YKM Holdings Private Limited which amounts to 100% of the preference share capital of YKM Holdings Private Limited.*

Financial performance

The audited financial results of YKM Holdings Private Limited for the past three years are as follows:

(in Rs. million except for share data)

	Fiscal 2008	Fiscal 2007	Fiscal 2006
Equity capital	23.27	23.27	3.27
Reserves and surplus	433.53	274.87	273.19
Total income	9.36	5.27	10.68
Profit/(Loss) after tax	(88.16)	0.46	(3.27)
Earnings per share (face value Rs. 10)	(33.20)	0.72	(12.72)
Book value per equity share	173.27	128.1	844.48

YKM Holdings Private Limited is an unlisted company and has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of SICA nor is it subject to a winding-up order or petition. It does not have a negative net worth.

Interest in the property of our Company

The Promoters do not have any interest in any property acquired by our Company within two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, except for our office space situated at 1D, 1st Floor, Bally High, Ballygunge Park Road, Kolkata 700 019, West Bengal, India which has been assigned to us by Bokel Investments Limited, which was later merged with YKM Holdings Private Limited, pursuant to a deed of assignment dated September 5, 2005 for a lump sum amount of Rs. 13.5 million and a monthly rent of Rs. 3,000 per month; and our Corporate Office which has been leased to us by YKM Holdings Private Limited pursuant to a lease agreement dated April 20, 2006 for a rent of Rs. 0.33 million per month subject to an increase every year at the rate of 5% and maintenance charges of Rs. 0.07 million per month. For further details, see the section titled "Financial Statements" on page 111.

Payment of benefits to our Promoters during the last two years

Except for the payment of Rs. 28.90 million by our Company to Mr. Yogendra Kumar Modi and except as stated in the section titled "Financial Statements" on page 111, there has been no payment of benefits to our Promoters during the last two years prior to the date of filing of this Draft Red Herring Prospectus. For further details regarding the reimbursement of Rs. 28.90 million to Mr. Yogendra Kumar Modi, see the section titled "Our Management - Payment or benefit to our officers (non-salary related)" on page 95.

Related Party Transactions

For details of the related party transactions, see the section titled "Financial Statements- Related Party Transactions" on page 127.

Undertakings

We undertake that the details of the PAN, bank account number and passport number of Mr. Yogendra Kumar Modi, and details of the PAN, bank account number, company registration number and the address of the RoC Delhi where YKM Holdings Private Limited is registered will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with the Stock Exchanges.

Further, our Promoters and Promoter Group have confirmed that they have not been mentioned as willful defaulters by the RBI or any other governmental authority.

Mr. Yogendra Kumar Modi, one of our Promoters, features in the list of directors of Spark Plug Limited ("**SPL**") on the website of CIBIL wherein SPL has been mentioned in the defaulters list. Mr Yogendra Kumar Modi is following up with Standard Chartered Bank to apply to Reserve Bank of India for rectifying the records of CIBIL by deleting his name from the CIBIL website. For further details please see the section titled "Outstanding Litigation and Material Developments" on page 188.

There are no violations of securities laws committed by them in the past or pending against them and none of our Promoters or persons in control of corporate bodies forming part of our Promoter Group have been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

Common Pursuits

Our Promoter, Mr. Yogendra Kumar Modi is also the promoter of Great Eastern Energy Infrastructure Private Limited, Great Eastern CBM Gas Private Limited, Great Eastern Natural Gas Private Limited, Great Eastern Energy Marketing Private Limited, Great Eastern Energy City Gas Private Limited and Great Eastern Energy Gas Private Limited, all of whom are involved in activities similar to those conducted by our Company.

Promoter Group

In addition to the Promoters named above, the following natural persons, companies and entities form part of our Promoter Group:

The natural persons who are part of the Promoter Group (being immediate relatives of our Promoters), apart from the individual Promoters mentioned above, are as follows:

Promoter	Name	Relationship with Mr. Yogendra Kumar Modi
Mr. Yogendra Kumar Modi	Ms. Asha Modi	Wife
	Mr. Prashant Modi	Son
	Ms. Anupama Modi	Daughter
	Ms. Prarthana Modi	Daughter
	Ms. Manju Saraf	Sister
	Ms. Anju Poddar	Sister
	Ms. Sharda Poddar	Sister-in-law
	Ms. Krishna Nevatia	Sister-in-law
	Ms. Sushila Poddar	Sister-in-law
	Ms. Usha Rajgharia	Sister-in-law

Mr. Yogendra Kumar Modi has entered into a memorandum of family settlement dated March 16, 1995 with retrospective effect from January 9, 1994 with his father Mr. K.N Modi and brothers Mr. Mahendra Kumar Modi and Mr. Devendra Kumar Modi. Pursuant to the family settlement agreement Mr. Yogendra Kumar Modi ceased to have any interest in the companies managed by Dr. K.N. Modi, Mr. Mahendra Kumar Modi and Mr. Devendra Kumar Modi and vice versa. Therefore, in the list of the Promoter Group individuals above, Mr. Mahendra Kumar Modi and Mr. Devendra Kumar Modi have not been mentioned. Dr. K.N. Modi has since passed away.

Promoter Group Companies and Entities

The entities which are part of the Promoter Group have been provided below:

1. Modi Telecommunications Limited;
2. CBM Investments Limited;
3. YKM Holdings International Limited;
4. Great Eastern Energy Infrastructure Private Limited;
5. Great Eastern CBM Gas Private Limited;
6. Great Eastern Natural Gas Private Limited;
7. Great Eastern Energy Marketing Private Limited;
8. Great Eastern Energy City Gas Private Limited;
9. Great Eastern Energy Gas Private Limited;
10. Yogendra Kumar Modi (HUF); and
11. YKM Holdings Trust.

1. Modi Telecommunications Limited

Modi Telecommunications Limited was incorporated on March 13, 1992 under registration number 55-48235 with the RoC Delhi. Its registered office is situated at 14th Floor, Signature Towers-A, NH-8, South City, Gurgaon, Haryana 122 001, India. The name of the company was changed to Modi Korea Telecommunications Limited on September 22, 1995 and thereafter the name of the company was again changed to Modi Telecommunications Limited on May 15, 2001.

Promoter: Mr. Yogendra Kumar Modi

There have been no changes in the management of Modi Telecommunications Private Limited since its incorporation.

CIN: U64202HR1992PLC034756

The main objects of the company are to carry on businesses of telephone, telegraph, cable and wireless communications company and to establish, work, manage, sell, hire out and maintain telephone exchanges, cable communications, mobile telephones, circular telephones, wireless communications, radio receiving and transmitting stations, electronic mail etc.

Board of directors

The board of directors of Modi Telecommunications Private Limited as on November 30, 2008 comprises Mr. Yogendra Kumar Modi, Ms. Asha Modi and Mr. G.D. Agrawal.

Shareholding pattern

The shareholding pattern of Modi Telecommunications Private Limited as at November 30, 2008 is as follows:

S. No.	Names of Shareholders	No. of Shares Held	% of Shareholding
1.	YKM Holdings Private Limited*	20,120,700	60.86
2.	Austin Investment Services Limited	10,072,100	30.47
3.	Seoul Mobile Telecom Inc.	1,998,100	6.04
4.	Telecom International Paging Limited	868,000	2.63
5.	Mr. Prashant Modi	150	0.00
6.	Mr. R.A. Sharma	150	0.00
7.	Mr. Yogendra Kumar Modi	100	0.00
8.	Mr. Manoj Kumar Gupta	100	0.00
9.	Mr. K.A. Garg	100	0.00
10.	Mr. Pawan Kumar	100	0.00
	Total	**33,059,600**	**100**

***** In addition to the shareholding above, YKM Holdings Private Limited also holds 685,000 0% fully convertible unsecured debentures of Rs. 100 each.

There have been no changes in the capital structure of Modi Telecommunications Private Limited in the last six months.

Financial performance

The audited financial results of Modi Telecommunications Limited for the past three years are as follows:

(in Rs. million except for share data)

	Fiscal 2008	Fiscal 2007	Fiscal 2006
Equity capital	330.06	330.06	330.06
Reserves (excluding revaluation reserves)/ Accumulated losses	(662.16)	(653.74)	(639.18)
Total income	2.66	3.27	17.55
Profit/(Loss) after tax	(8.42)	(14.85)	(70.16)
Earnings per share (face value Rs. 10)	(0.25)	(0.45)	(2.12)
Book value per equity share	(10.03)	(9.77)	(9.33)

Modi Telecommunications Limited had negative net worth in the last three years, details of which are mentioned below:

(in Rs. million except for share data)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Share capital	330.60	330.60	330.60
Reserves (excluding revaluation reserves)/ Accumulated losses	(662.16)	(653.74)	(639.18)
Total net worth	**(331.56)**	**(323.14)**	**(308.58)**

2. CBM Investments Limited

CBM Investments Limited was incorporated on August 19, 2002 under Companies (Jersey) Law, 1991 with registration number 83840 with the Registrar of Companies, Jersey. Its registered office is situated at P.O. Box 51, 57 Bath Street, St. Helier, Jersey JE4 0XP.

Promoter: YKM Holdings International Limited

There have been no changes in the management of CBM Investments Limited since its incorporation.

CIN: NA

The main objects of the company are to engage in any legitimate enterprise, undertaking activity trade or business of whatever kind in any part of the world which the directors of the company shall in their absolute discretion think fit and without justice to the generality of the foregoing to borrow or raise money in any manner and to secure the repayment of any money borrowed raised or owing by assignment charge hypothecation pledge or mortgage on all or any of the property or rights of the company present future vested or contingent including uncalled capital.

Board of directors

The board of directors of CBM Investments Limited as on November 30, 2008 comprises Mr. Markus Hugelshofer and Mr. John Christopher Leeksma Bailey.

Shareholding pattern

The shareholding pattern of CBM Investments Limited as at November 30, 2008 is as follows:

S. No.	Names of Shareholders	No. of Shares Held	% of Shareholding
1.	YKM Holdings International Limited	3,000,000	100.00
	Total	**3,000,000**	**100.00**

There have been no changes in the capital structure of CBM Investments Limited in the last six months.

Financial performance

There is no obloigation on CBM Investments Limited to have its accounts audited as per the Jersey law under which it is incorporated. The unaudited financial results of CBM Investments Limited for the past three years are as follows:

(in Rs. million except for share data)

	Fiscal 2008	Fiscal 2007	Fiscal 2006
Equity capital and reserves	226.00	232.00	236.00
Total income	Nil	Nil	275.00
Profit/(Loss) after tax	(26.00)	(9.00)	244.00
Earnings per share (face value Rs. 10)	(1.10)	(0.40)	10.90
Book value per equity share	9.5	10.7	10.6

3. YKM Holdings International Limited

YKM Holdings International Limited was incorporated on March 7, 2005 under the International Business Companies Act, 1996 with registration number 11877 IBC 2005 with the Registrar of International Business Companies, St. Vincent and the Grenadines. Its registered office is situated at Trust House, 112 Bonafide Street, Kingston, Saint Vincent.

Promoters: Mr. Yogendra Kumar Modi, Ms. Asha Modi and Mr. Prashant Modi

There have been no changes in the management of YKM Holdings International Limited since its incorporation.

CIN: NA

The main objects of the company are all subject matters not forbidden by the International Business Companies Act, 1996, in particular but not exclusively all commercial, financial, lending, borrowing, trading, of all kinds, to produce, acquire, develop, manage, let, lease, rent, broke, sell or otherwise dispose of any kind of goods, including but not restricted to real estate, intellectual property rights, ships, to contract, to mortgage or pledge any assets, as well as service activities, the participation in other enterprises, to undertake all kinds of investments and leasing of whatsoever kind, to produce manufacture, purchase, sell all kinds of products for the company or third parties or out-source the same, as well as matters that the board of directors may consider to be in the company's interest.

Board of directors

The board of directors of YKM Holdings International Limited as on November 30, 2008 comprises Mr. Yogendra Kumar Modi, Mr. Prashant Modi, Ms. Asha Modi and Mr. Markus Hugelshofer.

Shareholding pattern

The shareholding pattern of YKM Holdings International Limited as at November 30, 2008 is as under:

S. No.	Names of Shareholders	No. of Shares Held	% of Shareholding
1.	Mr. Yogendra Kumar Modi	9,667	33.33
2.	Mr. Prashant Modi	9,667	33.33
3.	Ms. Asha Modi	9,667	33.33
	Total	**29,000**	**100.00**

There have been no changes in the capital structure of YKM Holdings International Limited in the last six months.

Financial performance

There is no obligation on YKM Holdings International Limitedto have its accounts audited under the laws of St. Vincent and the Grenadines under which it is incorporated. The unaudited financial results of YKM Holdings International Limited for the past three years are as follows:

(in Rs. million except for share data)

	Fiscal 2008	Fiscal 2007	Fiscal 2006

Equity capital and reserves	120.00	114.00	110.00
Total income	3.00	1.00	104.00
Profit/(Loss) after tax	(11.00)	(3.00)	107.00
Earnings per share (face value Rs. 10)	(0.90)	(0.30)	10.40
Book value per equity share	10.20	9.70	10.70

4. Great Eastern Energy Infrastructure Private Limited

Great Eastern Energy Infrastructure Private Limited was incorporated on May 1, 2008 under registration number U11100WB2008PTC125337 with the RoC. Its registered office is situated at G.T. Road, Fatehpur, P.O. Sitarampur, Asansol 713 359, West Bengal, India.

Promoter: Mr. Yogendra Kumar Modi

There have been no changes in the management of Great Eastern Energy Infrastructure Private Limited since its incorporation.

The main objects of the company are to carry on all or any of the businesses to construct, lay, operate, use, lease, hire, inspect, maintain, improve, enlarge, alter, protect, repair, replace and remove, and to carry out works in respect of pipelines.

Board of directors

The board of directors of Great Eastern Energy Infrastructure Private Limited as on November 30, 2008 comprises Mr. Yogendra Kumar Modi and Ms. Asha Modi.

Shareholding pattern

The shareholding pattern of Great Eastern Energy Infrastructure Private Limited as at November 30, 2008 is as follows:

S. No.	Names of Shareholders	No. of Shares Held	% of Shareholding
1.	Mr. Yogendra Kumar Modi	5,000	50.00
2.	Ms. Asha Modi	5,000	50.00
	Total	**10,000**	**100.00**

There have been no changes in the capital structure of Great Eastern Energy Infrastructure Private Limited in the last six months.

Financial performance

Since the company was incorporated on May 1, 2008, there are no audited financial results.

5. Great Eastern CBM Gas Private Limited

Great Eastern CBM Gas Private Limited was incorporated on May 1, 2008 under registration number U11102WB2008PTC125338 with the RoC. Its registered office is situated at G.T. Road, Fatehpur, P.O. Sitarampur, Asansol 713 359, West Bengal, India.

Promoter: Mr. Yogendra Kumar Modi

There have been no changes in the management of Great Eastern CBM Gas Private Limited since its incorporation.

The main object of the company is to carry on all or any of the businesses of storage, supply, sale, distribution and marketing of CBM gas as fuel.

Board of directors

The board of directors of Great Eastern CBM Gas Private Limited as on November 30, 2008 comprises Mr. Yogendra Kumar Modi and Ms. Asha Modi.

Shareholding pattern

The shareholding pattern of Great Eastern CBM Gas Private Limited as at November 30, 2008 is as follows:

S. No.	Names of Shareholders	No. of Shares Held	% of Shareholding
1.	Mr. Yogendra Kumar Modi	5,000	50.00
2.	Ms. Asha Modi	5,000	50.00
	Total	**10,000**	**100.00**

There have been no changes in the capital structure of Great Eastern CBM Gas Private Limited in the last six months.

Financial performance

Since the company was incorporated on May 1, 2008, there are no audited financial results.

6. Great Eastern Natural Gas Private Limited

Great Eastern Natural Gas Private Limited was incorporated on May 1, 2008 under registration number U11102WB2008PTC125340 with the RoC. Its registered office is situated at G.T. Road, Fatehpur, P.O. Sitarampur, Asansol 713 359, West Bengal, India.

Promoter: Mr. Yogendra Kumar Modi

There have been no changes in the management of Great Eastern Natural Gas Private Limited since its incorporation.

The main objects of the company are to procure CBM or any other gaseous fuel by entering into gas supply agreement or otherwise from Great Eastern Energy Corporation Limited or any other source or entity, and to acquire, takeover, continue and carry on the business of selling, marketing and distribution of CBM gas anywhere in the state of West Bengal and/or in other parts of India as well.

Board of directors

The board of directors of Great Eastern Natural Gas Private Limited as on November 30, 2008 comprises Mr. Yogendra Kumar Modi and Ms. Asha Modi.

Shareholding pattern

The shareholding pattern of Great Eastern Natural Gas Private Limited as at November 30, 2008 is as follows:

S. No.	Names of Shareholders	No. of Shares Held	% of Shareholding
1.	Mr. Yogendra Kumar Modi	5,000	50.00
2.	Ms. Asha Modi	5,000	50.00
	Total	**10,000**	**100.00**

There have been no changes in the capital structure of Great Eastern Natural Gas Private Limited in the last six months.

Financial performance

Since the company was incorporated on May 1, 2008, there are no audited financial results.

7. Great Eastern Energy Marketing Private Limited

Great Eastern Energy Marketing Private Limited was incorporated on May 1, 2008 under registration number U11102WB2008PTC125341 with the RoC. Its registered office is situated at G.T. Road, Fatehpur, P.O. Sitarampur, Asansol 713 359, West Bengal, India.

Promoter: Mr. Yogendra Kumar Modi

There have been no changes in the management of Great Eastern Energy Marketing Private Limited since its incorporation.

The main object of the company is to set up and maintain distribution systems, compressing units, distribution networks, marketing networks, supply channels high pressure transmission systems, downstream custody transfer point by Great Eastern Energy Corporation Limited /others at city gas stations, pressure reduction equipment, basic grids, district regulators, etc.

Board of directors

The board of directors of Great Eastern Energy Marketing Private Limited as on November 30, 2008 comprises Mr. Yogendra Kumar Modi and Ms. Asha Modi.

Shareholding pattern

The shareholding pattern of Great Eastern Energy Marketing Private Limited as at November 30, 2008 is as follows:

S. No.	Names of Shareholders	No. of Shares Held	% of Shareholding
1.	Mr. Yogendra Kumar Modi	5,000	50.00
2.	Ms. Asha Modi	5,000	50.00
	Total	**10,000**	**100.00**

There have been no changes in the capital structure of Great Eastern Energy Marketing Private Limited in the last six months.

Financial performance

Since the company was incorporated on May 1, 2008, there are no audited financial results.

8. Great Eastern Energy City Gas Private Limited

Great Eastern Energy City Gas Private Limited was incorporated on May 1, 2008 under registration number U11102WB2008PTC125339 with the RoC. Its registered office is situated at G.T. Road, Fatehpur, P.O. Sitarampur, Asansol 713 359, West Bengal, India.

Promoter: Mr. Yogendra Kumar Modi

There have been no changes in the management of Great Eastern Energy City Gas Private Limited since its incorporation.

The main object of the company is to carry on all or any of the businesses of storage, supply, sale, distribution and marketing of CBM gas as fuel for domestic, commercial, industrial transportation and automotive sector and to do all other related activities for distribution.

Board of directors

The board of directors of Great Eastern Energy City Gas Private Limited as on November 30, 2008 comprises Mr. Yogendra Kumar Modi and Ms. Asha Modi.

Shareholding pattern

The shareholding pattern of Great Eastern Energy City Gas Private Limited as at November 30, 2008 is as follows:

S. No.	Names of Shareholders	No. of Shares Held	% of Shareholding
1.	Mr. Yogendra Kumar Modi	5,000	50.00
2.	Ms. Asha Modi	5,000	50.00
	Total	**10,000**	**100.00**

There have been no changes in the capital structure of Great Eastern Energy City Gas Private Limited in the last six months.

Financial performance

Since the company was incorporated on May 1, 2008, there are no audited financial results.

9. Great Eastern Energy Gas Private Limited

Great Eastern Energy Gas Private Limited was incorporated on May 14, 2008 under registration number U40106HR2008PTC037929 with the RoC Delhi. Its registered office is situated at Signature Towers-A, 14th Floor, South City, NH-8, Gurgaon 122 001, Haryana, India.

Promoter: Mr. Yogendra Kumar Modi

There have been no changes in the management of Great Eastern Energy Gas Private Limited since its incorporation.

The main object of the company is to carry on all or any of the businesses of storage, supply, sale, distribution and marketing of CBM gas as fuel for domestic, commercial, industrial transportation & automotive sector and to do all other related activities for distribution.

Board of directors

The board of directors of Great Eastern Energy Gas Private Limited as on November 30, 2008 comprises Mr. Yogendra Kumar Modi and Ms. Asha Modi.

Shareholding pattern

The shareholding pattern of Great Eastern Energy Gas Private Limited as at November 30, 2008 is as follows:

S. No.	Names of Shareholders	No. of Shares Held	% of Shareholding
1.	Mr. Yogendra Kumar Modi	5,000	50.00
2.	Ms. Asha Modi	5,000	50.00
	Total	**10,000**	**100.00**

There have been no changes in the capital structure of Great Eastern Energy Gas Private Limited in the last six months.

Financial performance

Since the company was incorporated on May 14, 2008, there are no audited financial results.

10. Yogendra Kumar Modi (HUF)

The Yogendra Kumar Modi (HUF) was formed on February 12, 1969. Mr. Yogendra Kumar Modi is the *Karta* of the Yogendra Kumar Modi (HUF) and it has rental and interest income. The members of Yogendra Kumar Modi (HUF) are Mr. Yogendra Kumar Modi, Ms. Asha Modi, Mr. Prashant Modi, Ms. Anupama Modi and Ms. Prarthana Modi.

S. No.	Particulars	Details
1.	PAN	AAAHY4264L
2.	Bank account no.	105701000041900, HDFC Bank, Sector 14, Gurgaon, Haryana.

Financial performance

The financial results of Yogendra Kumar Modi (HUF) for the past three years are as follows:

(in Rs. million except for share data)

	Fiscal 2008	Fiscal 2007	Fiscal 2006
Equity capital	N.A	N.A	N.A
Reserves and surplus	N.A	N.A	N.A
Total income	1.64	1.06	1.25
Profit/(Loss) after tax	N.A	N.A	N.A
Earnings per share (face value Rs. 10)	N.A	N.A	N.A
Book value per equity share	N.A	N.A	N.A

11. YKM Holdings Trust

Corporate information

YKM Holdings Trust is a private trust set up by YKM Holdings Private Limited with effect from June 20, 2008 for the purpose of holding Equity Shares issued and allotted pursuant to and in terms of the scheme of merger as approved by the order dated February 29, 2008 of the High Court of Punjab and Haryana, Chandigarh in Company Petition number 153 of 2007. The powers, duties and responsibilities of YKM Holdings Trust is governed pursuant to a trust deed dated October 3, 2008 entered among YKM Holdings Private Limited, Mr. Yogendra Kumar Modi and Ms. Asha Modi.

Board of trustees

The trustees of YKM Holdings Trust are Mr. Yogendra Kumar Modi and Ms. Asha Modi.

Beneficiaries

The beneficiaries of YKM Holdings Trust are YKM Holdings Private Limited, its successors and assigns.

Financial performance

Since the trust was formed on June 20, 2008, there are no audited financial results.

Interest of our Promoters and Promoter Group in our Company

Except as disclosed in the section titled "Financial Statements" on page 111 and to the extent of their shareholding or GDR holding in our Company, our Promoters and Promoter Group do not have any other interest in our Company. For further details of the Equity Shares and GDRs held by our Promoters and Promoter Group, see the section titled "Capital Structure – Notes to Capital Structure – GDR Holdings of Promoter, Promoter Group, Director and Key Managerial Employee" on page 29.

Other Confirmations

Except as disclosed in the section titled "Outstanding Litigation and Material Developments" on page 188, there are no defaults by any of the Promoters or Promoter Group companies in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holders. In addition, there are no disciplinary actions taken by any of the stock exchanges and regulatory authorities against any of the Promoters or Promoter Group entities.

Past Ventures of our Promoters

Except as stated herein below, our Promoters have not disassociated with any company/firms in the last three years:

Sr. No.	Name of Company	Promoter	Date of Disassociation	Reason for Disassotiation
1.	IndianPurchase.com Infoware Limited ("**IIL**")	YKM Holdings Private Limited	December 12, 2007	Pursuant to a share purchase agreement dated December 12, 2007 among YKM Holdings Private Limited, YKM Investment Limited, Mr. Yogendra Kumar Modi, Mr. Arun Nevatia, Ms. Asha Modi, Mr. G.D. Agarwal, Mr. Vipin Kumar and Mr. Ram Avtar Sharma (together "**Sellers**"), Ms. Ranta Dutt, Ms. Ira Dutt, Ms. Indrani Banerjee, Mr. Abhijit Ghatak, Ms. Sucheta Chatterjee, Mr. Balbir Singh Khera, Ms. Harveen Khera (together "**Purchasers**") and IIL, 823,450 shares of IIL constituting its entire share capital held by the Sellers were sold to the Purchasers for a total consideration of Rs. 2.00 million.

Public/Rights Issue

None of our Promoter Group companies have made public or rights issue in the preceding three years.

Winding up or Sick Company

Our Promoter Group companies have neither become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor are they under winding up.

Defunct Promoter Group Companies

None of our Promoter Group companies are defunct companies, except as mentioned below:

1. **Modi Connect Private Limited -** The name of this company was struck off upon an application by it pursuant to section 560 of the Companies Act pursuant to a notice bearing reference number 560(3)REGULAR/U74899DL2001PTC109259/8943 dated December 31, 2007.

2. **YKM Internet Services Private Limited** - This company has filed an application dated July 27, 2005 with the RoC to have its name struck off the register pursuant to section 560 of the Companies Act.

3. **Modi Communication Services Limited** - The name of this company was struck off with effect from January 31, 2007 pursuant to section 560 of the Companies Act as published in the official gazette bearing reference number ROC/Delhi&Haryana/560/SES-2005.

There are no litigations or defaults in respect of these companies which are currently pending.

Companies with negative net worth

Except for Modi Telecommunications Limited, none of our Promoter Group companies have a negative net worth.

Conflict of Interest

Our Promoter Group companies, Great Eastern Energy Infrastructure Private Limited, Great Eastern CBM Gas Private Limited, Great Eastern Natural Gas Private Limited, Great Eastern Energy Marketing Private Limited, Great Eastern Energy City Gas Private Limited and Great Eastern Energy Gas Private Limited are incorpoated with objects which are similar to that of our Company and as a result they may engage in business activities that will be similar to that undertaken by our Company.

Related Party Transactions

For details of the related party transactions, see the section titled "Financial Statements-Related Party Transactions" on page 127.

DIVIDEND POLICY

The declaration and payment of dividend will be recommended by our Board and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. The Board may also from time to time pay interim dividend. All dividend payments are made in cash to the shareholders of our Company.

Our Company has not declared any dividends since its incorporation.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

GREAT EASTERN ENERGY CORPORATION LIMITED
SUMMARY RESTATED FINANCIAL STATEMENTS
FOR FIVE YEARS ENDED MARCH 31, 2008 AND FOR THE QUARTER ENDED JUNE 30, 2008

To
The Board of Directors
Great Eastern Energy Corporation Limited
1D, Ballyhigh, 1st Floor,
1 Ballygunge Park Road,
Kolkata – 700 019
West Bengal
India

Re: Initial Public Offering of Great Eastern Energy Corporation Limited

Dear Sirs,

We have examined the financial information of Great Eastern Energy Corporation Limited ('the Company'), as attached to this report initialed by us for identification purpose, which has been prepared in accordance with paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act') and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended to date (SEBI Guidelines) issued by the Securities and Exchange Board of India ('SEBI') on January 19, 2000 in pursuance of Section 11 of the SEBI Act, 1992 and related clarifications and in accordance with the instructions dated July 22, 2008 received from the Company, requesting us to carry out work in connection with the Offer Document being issued by the Company in connection with its Initial Public Offering of Equity Shares (referred to as 'the Issue')

A. Financial Information as per statutory audited financial statements

We have examined the attached summary restated assets and liabilities of the Company as at June 30, 2008, March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005 and March 31, 2004 (Annexure II) and the attached summary restated statements of Profit and Loss Account for each of the quarter ended and five years ended on those dates (Annexure I), together referred to as 'Summary of restated financial statements'. These statements have been extracted from the financial statements of the Company for the respective quarter ended and five years ended, as adopted by the board of directors/members of the Company. Based on our examination of these statements, we confirm that:

1. These statements have been restated with retrospective effect to reflect the changes in accounting policies of the Company (as disclosed in Annexure IV to this report) as adopted by the Company.
2. The material adjustments relating to previous periods have been adjusted in the statements in the year to which they relate.
3. The adjustments required by audit qualifications have been made in the year to which such qualifications relate.
4. There are no extra-ordinary items which need to be disclosed separately in the statements.

B. Other Financial Information

We have examined the following financial information relating to Great Eastern Energy Corporation Limited for the five years ended March 31, 2008 and for the quarter ended June 30, 2008 as included in Appendix 1, proposed to be included in the Offer Document, as approved by you and annexed to this report:

i) Statement of Cash Flows as enclosed in Annexure III of Appendix 1

ii) Details of items of Other Income as enclosed in Annexure VA of Appendix 1

iii) Schedule of Investments as enclosed in Annexure VB of Appendix 1

iv) Summary of Sundry Debtors as enclosed in Annexure VC of Appendix 1

v) Summary of Loans and Advances as enclosed in Annexure VD of Appendix 1

vi) Details of Secured Loan as enclosed in Annexure VE of Appendix 1

vii) Schedule of Unsecured Loan as enclosed in Annexure VF of Appendix 1

viii) Schedule of Share Capital as enclosed in Annexure VG of Appendix 1

ix) Schedule of Reserve and Surplus as enclosed in Annexure VH of Appendix 1

x) Summary of accounting ratios based on the adjusted profits relating to earnings per share, net asset value and return on net worth as enclosed in Annexure VI of Appendix 1

xi) Details of rate of dividend declared by the Company as enclosed in Annexure VII of Appendix 1

xii) Capitalisation statement of the Company as enclosed in Annexure VIII of Appendix 1

xiii) Statement of Tax Shelters as enclosed in Annexure IX of Appendix 1

xiv) Details of Related Party Transaction as enclosed in Annexure X of Appendix 1

In our opinion, the financial information of the Company, as attached to this report as mentioned in paragraphs (A) and (B) above, read with respective significant accounting policies after making re-groupings and adjustments have been prepared in accordance with Part II of Schedule II of the Act and the SEBI Guidelines.

This report is provided solely for the purpose of assisting the Company to which it is addressed in discharging their responsibilities under the SEBI Guidelines and paragraph B(1) of Part II of Schedule II to the Indian Companies Act, 1956. Our work has not been carried out in accordance with the auditing standards generally accepted in the 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.

Prabal Kr. Sarkar
Partner
Membership No.52340
For and on behalf of
Price Waterhouse
Chartered Accountants

Place: Kolkata
Date: October 1, 2008

FINANCIAL STATEMENTS

Appendix-I- Summary of restated financial statements

Appendix-II- Audited financial statements

Appendix-I

Summary of restated financial statements

ANNEXURE – I: SUMMARY RESTATED PROFIT & LOSS ACCOUNT

(Rs. in Million)

	For the quarter Ended June 30, 2008	For the financial year ended				
		March 31,2008	March 31,2007	March 31,2006	March 31,2005	March 31,2004
I. Income						
Sales	8.48	4.94	-	-	-	-
Other Income	1.71	16.90	59.15	49.41	0.09	0.20
Total Income	**10.19**	**21.84**	**59.15**	**49.41**	**0.09**	**0.20**
II. Expenditure:						
Manufacturing and Other Expenses	46.39	117.42	72.34	48.31	0.46	1.57
Provision for Site Restoration	0.21	0.50	2.00	-	-	-
Deferred Revenue Expenditure	-	-	-	79.13	-	-
Depreciation/Amortization	7.18	11.65	3.86	1.71	0.15	0.11
Prior Period Adjustment	-	-	(0.52)	-	-	-
Total Expenditure	**53.78**	**129.57**	**77.68**	**129.15**	**0.61**	**1.68**
III. Profit/ (Loss) Before Tax	**(43.59)**	**(107.73)**	**(18.53)**	**(79.74)**	**(0.52)**	**(1.48)**
Tax Expense						
Current Tax	-	-	-	-	-	-
Prior Period Tax	-	0.03	-	-	-	0.28
Fringe Benefit Tax	0.75	2.83	1.94	2.41	-	-
IV Profit/ (Loss) After Taxation as per audited statement of accounts - (A)	**(44.34)**	**(110.59)**	**(20.47)**	**(82.15)**	**(0.52)**	**(1.76)**
Adjustments on account of:						
Change in accounting policy (Refer Note No 2.1.1 and 2.1.2)	**-**		0.09	79.13	(15.14)	(13.03)
Audit Qualification (Refer Note No 2.1.3)		2.16				
Material adjustments and prior period items (Refer Note No 2.1.4)	**-**	0.03	(0.52)	0.38	0.11	0.28
Total Adjustments	**-**	**2.19**	**(0.43)**	**79.51**	**(15.03)**	**(12.75)**
Tax Impact on adjustments (Refer Note No 2.1.5))	**-**	**-**	**-**	**-**	**-**	**-**
Total adjustments net of tax impact - (B)	**-**	**2.19**	**(0.43)**	**79.51**	**(15.03)**	**(12.75)**
V. Net Profit/(Loss) as restated (A+B)	**(44.34)**	**(108.40)**	**(20.90)**	**(2.64)**	**(15.55)**	**(14.51)**
Profit and loss account at the beginning of the year/period	**(217.03)**	**(108.63)**	**(87.73)**	**(85.09)**	**(69.54)**	**(55.03)**
Profit/(Loss) available for appropriation	**(261.37)**	**(217.03)**	**(108.63)**	**(87.73)**	**(85.09)**	**(69.54)**
Appropriation	**-**	**-**	**-**	**-**	**-**	**-**
Balance Carried Forward	**(261.37)**	**(217.03)**	**(108.63)**	**(87.73)**	**(85.09)**	**(69.54)**

Note: The accompanying significant accounting policies and notes are an integral part of this statement.

ANNEXURE – II: SUMMARY OF RESTATED ASSETS AND LIABILITIES

(Rs. in Million)

		As at					
		June 30 2008	**March 31 2008**	**March 31 2007**	**March 31 2006**	**March 31 2005**	**March 31 2004**
A	**FIXED ASSETS**						
	Gross Block	1046.94	706.16	69.35	52.20	6.96	6.19
	Less: Accumulated Depreciation	47.03	35.27	14.40	6.30	2.75	2.25
	Net Block	**999.91**	**670.89**	**54.95**	**45.90**	**4.21**	**3.94**
	Capital Work In Progress	1622.78	1708.54	1341.87	679.03	398.80	315.30
	Total	**2622.69**	**2379.43**	**1396.82**	**724.93**	**403.01**	**319.24**
B	**INVESTMENTS**	**-**	**-**	**-**	**-**	**-**	**1.12**
C	**CURRENT ASSETS, LOANS& ADVANCES**						
	Inventories	76.46	82.58	49.98	16.81	2.81	10.00
	Sundry Debtors	1.28	0.96	-	-	-	1.00
	Cash and Bank Balances	64.46	120.86	478.55	1261.71	0.08	1.45
	Other Current Assets	3.22	2.74	5.04	4.89	1.51	1.54
	Loans and Advances	143.36	112.34	93.34	32.57	1.69	0.99
	Total	**288.78**	**319.48**	**626.91**	**1315.98**	**6.09**	**14.98**
D	**LIABILITIES AND PROVISIONS**						
	Secured Loans	969.81	751.91	-	-	-	-
	Unsecured Loans	-	-	-	-	5.38	-
	Current Liabilities and Provisions	171.82	132.82	101.15	97.43	30.77	41.19
	Total	**1141.63**	**884.73**	**101.15**	**97.43**	**36.15**	**41.19**
E	Miscellaneous Expenditure (to the extent not written off)	**-**	**-**	**-**	**-**	**-**	**-**
F	**NET WORTH (A + B + C - D – E)**	**1769.84**	**1814.18**	**1922.58**	**1943.48**	**372.95**	**294.15**
	Represented by						
	1. Share Capital	544.62	544.62	544.62	544.62	358.43	306.00
	2. Advance against Share Capital	-	-	-	-	55.32	13.40
	3. Reserves & Surplus	1225.22	1269.56	1377.96	1398.86	(40.80)	(25.25)
G	**NET WORTH (1+2+3)**	**1769.84**	**1814.18**	**1922.58**	**1943.48**	**372.95**	**294.15**

Note: The accompanying significant accounting policies and notes are an integral part of this statement.

ANNEXURE III: CASH FLOW STATEMENT AS PER RESTATED FINANCIAL STATEMENTS

(Rs. in Million)

	For the quarter Ended June 30, 2008	For the financial year ended				
		March 31,2008	March 31,2007	March 31,2006	March 31,2005	March 31,2004
A. Cash flow from Operating Activities						
Net Profit / (Loss) before tax	**(43.59)**	**(105.57)**	**(18.96)**	**(0.23)**	**(15.52)**	**(14.51)**
Adjustments for :						
Depreciation/Amortization	7.18	11.65	3.86	1.71	0.15	0.11
Interest (Income)/Expense(net)	0.03	(15.08)	(59.05)	(40.62)	(0.48)	-
(Profit)/Loss on sale of Assets(net)	-	4.50	-	0.01	(0.01)	(0.20)
Damaged Stock written off	-	0.54	1.01	0.17		
Liability written back	-	(1.52)	-	-	-	-
Deferred Revenue & Miscellaneous Expenditure Written off	**-**	**-**	**-**	**-**	14.34	13.08
Provision for Site Restoration Cost	0.21	0.50	2.00	**-**	**-**	**-**
Unrealized foreign exchange Loss/ (Gain)	1.10	(0.31)	(0.08)	(0.05)	0.06	-
Operating profit before working capital changes	**(35.07)**	**(105.29)**	**(71.22)**	**(39.01)**	**(1.46)**	**(1.52)**
Adjustments for:						
(Increase) / decrease in Trade and Other Receivables	(32.09)	(17.41)	(60.79)	(19.98)	0.31	(10.26)
(Increase) / decrease in Inventories	6.12	(37.67)	(34.17)	(14.17)	7.19	3.33
Increase / (decrease) in Trade Payables	37.68	32.90	1.85	69.46	(10.48)	23.59
Fringe Benefit Tax Paid	(0.48)	(2.94)	(2.08)	(1.71)	-	-
Direct Taxes Paid	-	(0.03)	-	(4.60)	-	(0.28)
Net cash from Operating Activities (A)	**(23.84)**	**(130.44)**	**(166.41)**	**(10.01)**	**(4.44)**	**14.86**
B Cash flow from Investing Activities						
Purchase of Fixed Assets	(41.35)	(187.47)	(17.15)	(45.27)	(0.77)	(0.98)
Sale of Fixed Assets	-	0.98	-	-	-	-
Increase in Capital Work in Progress	(183.72)	(710.75)	(658.60)	(291.56)	(96.58)	(119.82)
Interest Received	0.89	16.05	59.05	40.62	0.04	0.11
(Purchase)/Sale of Investment (net)	-	-	-	-	1.13	16.09
Net cash used in Investing Activities (B)	**(224.18)**	**(881.19)**	**(616.70)**	**(296.21)**	**(96.18)**	**(104.60)**
C. Cash flow from Financing Activities						
Proceeds from Share issue	-	-	-	1573.18	52.44	72.68
Advance received against share issue	-	-	-	-	41.91	13.41
Borrowings	214.71	1002.96	-	-	10.00	-
Repayment of Borrowings	-	(257.00)	-	(4.90)	(5.10)	-
Borrowing Cost (Including Interest)	(23.09)	(92.02)	-	(0.48)	-	-
Net Cash used from Financing Activities (C)	**191.62**	**653.94**	**-**	**1567.80**	**99.25**	**86.09**
Net changes in cash and cash equivalents (A+B+C)	**(56.40)**	**(357.69)**	**(783.11)**	**1261.58**	**(1.37)**	**(3.65)**
Cash and cash equivalents at beginning of year	120.86	478.55	1261.66	0.08	1.45	5.10

	Cash and cash equivalents at the end of the year/period	64.46	120.86	478.55	1261.66 (Refer Note 3)	0.08	1.45

Notes:

1. Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

2. Cash and cash equivalents represent cash and bank balances only.

3. Net of unrealised foreign exchange fluctuation of Rs 0.05 million.

ANNEXURE IV: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO RESTATED FINANCIAL STATEMENTS.

1. Significant Accounting Policies:

(a) Basis of Accounting:

The financial statements are prepared under the historical cost convention to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies, 1956 and the relevant provisions of the Companies Act, 1956.

(b) Fixed Assets:

Tangible assets

Fixed Assets are stated at their cost of acquisition together with any incidental expenses of acquisition.

Intangible assets

Intangible assets are recognised only when future economic benefits attributable to the assets will flow to the enterprise and cost can be measured reliably and are being amortized over its useful life of five years on a straight line basis.

Impairment of fixed assets

Cash generating units/ assets are assessed for possible impairment at the balance sheet date based on external and internal sources of information. Impairment losses, if any, are recognised as an expense in the profit & loss account.

(c) Depreciation:

Depreciation has been provided on written down value method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. However**,** building constructed on land not owned by the Company is being depreciated over a period of five years and leasehold land is being amortized over the period of lease.

Cost of wells capitalized are depreciated according to the 'unit of production' method as prescribed by the Institute of Chartered Accountants of India in the "Guidance Note on Accounting for Oil and Gas Producing Activities".

Depreciation on assets utilized for the project has been capitalized under the head Capital Work In Progress.

(d) Exploratory Wells in Progress and Producing Properties:

Expenses incurred for developing and constructing wells have been Capitalized and included under the head Capital Work in Progress in line with the suggested treatment prescribed by the Institute of Chartered Accountants of India in the "Guidance Note on Accounting for Oil and Gas Producing Activities" under the 'full cost' method.

Producing Properties are created and included under the head fixed assets in respect of a well having developed reserves when the well is ready to commence commercial production**.**

(e) Inventories:

Inventories of Stores, Spares and Consumables are valued at the lower of cost, computed on a weighted average basis, and estimated net realizable value, after providing for cost of obsolescence.

(f) Retirement Benefit:

The company operates defined contribution schemes like Provident and Family Pension Fund and makes regular contribution to these funds, administered by the government authorities. Contributions are recognised in the profit & loss account on an accrual basis.

The company also provides for retirement benefits with defined benefits in the form of gratuity and pension. Such benefits though not funded are provided for based on actuarial valuation done by independent valuer at the end of the year. Actuarial Gains and Losses are recognised immediately in the Profit and Loss Account**.**

Short term employee benefits are recognised as an expense in the Profit & Loss Account of the year in which the related service is rendered.

(g) Taxes on Income:

Current tax represents the amount that would be payable based on computation of tax as per prevailing taxation laws under the Income Tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised unless there is reasonable certainty and in case of brought forward loss and unabsorbed depreciation there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(h) Foreign Currency Transactions:

Transactions in foreign currencies are recorded in rupees by applying the exchange rate prevailing at the time of transactions. Exchange fluctuation on settlement and those arising on translation of monetary assets and liabilities denominated in foreign currency at the Balance Sheet date are recognised in the profit and loss account as exchange gain or loss made during the year.

(i) Provisions

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

(j) Borrowing Cost

Borrowing cost that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized till substantial completion of all the activities that are necessary for this purpose. Other borrowing costs are charged to revenue.

(k) Sales

Sales represent invoiced value of goods supplied less excise duty and sales tax.

2. Notes on restated financial statements:

2.1 Adjustment arising out of changes in accounting policies, audit qualification and prior period items.

(Rs. in Million)

Particulars	For the Quarter Ended June 30, 2008	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Year Ended March 31, 2006	For the Year Ended March 31, 2005	For the Year Ended March 31, 2004
Profit/ (Loss) after tax as per audited statements of accounts	(44.34)	(110.59)	(20.47)	(82.15)	(0.52)	(1.76)
Adjustments on account of:						
I) Changes in accounting policies						
(a) Preliminary and Deferred Revenue Expenditure (Refer Note 2.1.1)	-	-	-	79.13	(14.34)	(13.08)
(b) Foreign Exchange Gain/ (Loss) (Refer Note 2.1.2)	-	-	0.09	-	(0.80)	0.05
II. Audit Qualification (Refer Note 2.1.3)	-	2.16	-	-	-	-
III. Prior Period Items (Refer note 2.1.4)	-	0.03	(0.52)	0.38	0.11	0.28
IV. Tax impact on adjustments (Refer Note 2.1.5)	-	-	-	-	-	-
Total	**(44.34)**	**(108.40)**	**(20.90)**	**(2.64)**	**(15.55)**	**(14.51)**

Notes:

2.1.1 During the year ended March 31, 2006 the company has written off the balance of Deferred Revenue and Preliminary Expenditure amounting to Rs.79.13 million in order to bring in line with accepted accounting practices. This being a change in accounting policy the same has been written off in the years in which it was incurred.

2.1.2 Consequent to revision in Accounting Standard (AS)-11 dealing with Effects of Changes in Foreign Exchange Rates issued by the Institute of Chartered Accountants of India the company has in the year 2007-08 adjusted such foreign exchange fluctuations in the profit and loss account. This being a change in accounting policy of the company, similar foreign exchange fluctuations pertaining to earlier years have been adjusted to profit and loss account in the year in which they arose.

2.1.3 The audit reports for the four years ended March 31, 2007 were qualified regarding non ascertainment of adjustments to the financial statements that may have been required on finalization of arbitration proceedings relating to a dispute with a contractor for non-performance and breach of contract. Impact of such adjustment has been considered in the opening reserves for the year ended March 31 2004, as the dispute relates to a period prior to April 1 2003.

2.1.4 Restatements relating to prior period adjustments represent various expense/ income restated to the respective years to which they relate irrespective of the year in which the event triggering the profit / (loss) occurred.

2.1.5 There is no impact of taxation on adjustments in view of the losses incurred by the company for the aforesaid years/period to which such adjustments relate.

2.2 Adjustment for restating assets and liabilities:

Assets and liabilities of the company have been adjusted to give effect to

2.2.1 Impact of audit qualification given in the audit report related to the two years ended March 31, 2005 pertaining to dispute with a contractor regarding amount payable for change over of rigs.

2.2.2 Impact of prior period adjustment relating to service tax receivable.

Adjustments stated in 2.2.1 and 2.2.2 above have been considered in the respective years to which such dispute/adjustment relate.

2.2.3 Impact of adjustments stated in 2.1.1, 2.1.2, 2.1.3 and 2.1.4.

2.3 Details of Manufacturing & Other Expenses

(Rs. in Million)

		For the year ended				
	For quarter ended June 30 2008	**March 31 2008**	**March 31 2007**	**March 31 2006**	**March 31 2005**	**March 31 2004**
Workover Expenses	1.12	0.87	-	-	-	-
Stores and spares consumed	5.04	3.66	-	-	-	-
Outward Freight	1.38	1.57	-	-	-	-
Royalty	0.53	0.31	-	-	-	-
Production Level Payment	0.13	0.08	-	-	-	-
Salaries, wages and bonus	9.87	28.50	16.30	9.96	0.12	0.04
Staff welfare expenses	0.07	0.17	0.11	-	-	-
Repairs & Maintenance	1.38	2.89	2.03	1.24	-	-
Power and fuel	0.14	0.38	0.56	0.46	-	-
Insurance	0.46	1.79	2.39	0.99	-	-
Rent	1.81	5.93	4.18	3.52	-	-
Rates & Taxes	0.15	0.76	0.13	0.32	0.02	-
Postage Printing & Stationary	0.13	0.53	0.26	0.59	-	-
Communication	0.96	2.93	1.40	0.87	-	-
Travelling & Conveyance	5.83	17.52	11.40	9.97	0.01	0.02
Bank Charges	0.25	1.06	0.37	0.21	-	-
Fee & Legal Expenses	1.75	1.41	1.86	0.04	-	-
Freight & Cartage	0.02	0.04	-	0.03	-	-
Equipment Hiring Charges	1.2	1.23	-	0.01	-	-
Foreign Exchange(Net)-(Gain)/Loss	1.23	(1.02)	(0.13)	0.4	-	-
Directors Fee	0.18	0.52	0.60	0.59	0.07	-
Training expenses	-	-	1.46	-	-	-
Advertisement and publicity	0.20	2.67	0.66	-	-	-
Audit Fees	0.15	3.47	2.55	-	0.14	0.03
Consultancy	8.52	24.63	18.88	13.94	0.10	-
Security expenses	0.87	0.96	0.09	-	-	-
Conference and Subscription	1.61	2.19	1.34	-	-	-
Loss on Sale of Assets	-	4.53	-	0.01	-	-
Business Promotion Expenses	0.26	1.49	0.48	-	-	-
Bid Expenses	-	2.94	4.17	-	-	1.48
Provision for Doubtful Advances	-	2.16	-	-	-	-
Damaged Stores Written Off	-	0.54	1.00	0.17	-	-
Miscellaneous Expenses	1.15	0.71	0.25	4.99	-	-
Total	**46.39**	**117.42**	**72.34**	**48.31**	**0.46**	**1.57**

2.4 Contingent Liabilities:

(Rs. in Million)

Particulars	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
Claim made against the company not acknowledged as debt						
a) Adkins Services Inc. (Claim made by contractor against the company for loss of profit and damages including interest thereon)	420.24	411.21	278.10	278.10	278.10	278.10
b) Government of India (MoPNG) (Claim made by ministry towards exchange rate difference and interest thereon)	10.20	9.98	8.55	4.10	-	-
c) Income Tax Demand	0.25	0.25	-	0.12	0.12	
d) M/s M.R Associates (for amounts claimed by contractor as payable along with interest.)	0.75	-	-	-	-	-
e) M/s D. S. Steel (for amounts claimed by contractor as payable along with interest)	7.36	-	-	-	-	-

2.5 Estimated value of contracts on Capital Account:

(Rs. in Million)

Particulars	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
Purchase of land	7.66	4.59	2.57	2.26	-	0.09
Capital Assets	725.90	456.39	218.62	156.40	3.12	-
Total	**733.56**	**460.98**	**221.19**	**158.66**	**3.12**	**0.09**

2.6 The Company is solely engaged in exploration and production of Coal Bed Methane gas and has commenced commercial production. There are no other reportable segments as per Accounting Standard (AS) 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

2.7 The figures of previous years have been regrouped and rearranged wherever found necessary.

ANNEXURE V: SCHEDULES TO FINANCIALS STATEMENTS

ANNEXURE V – A: DETAILS OF OTHER INCOME

(Rs. in Million)

Particulars	Nature of Income	For the quarter Ended June 30, 2008	For Year ended March 31,2008	For Year ended March 31,2007	For Year ended March 31,2006	For Year ended March 31,2005	For Year ended March 31,2004
Interest on Fixed Deposits	Non-Recurring	-	15.10	59.05	40.63	-	-
Rent	Non-Recurring	-	0.05	0.07	0.07	0.08	-
Profit on sale of Investments	Non-Recurring	-	-	-	-	0.01	0.20
Miscellaneous Income	Non-Recurring	1.71	1.75	0.03	-	-	-
Amount received from Energy Venture LLC	Non-Recurring	-	-	-	8.71	-	-
Total		**1.71**	**16.90**	**59.15**	**49.41**	**0.09**	**0.20**

Other income disclosed above has arisen from other than normal business activities

ANNEXURE V – B: SCHEDULE OF INVESTMENTS

(Rs. in Million)

Particulars	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
Investments						
Unquoted:						
64596.4484 Units of Templeton MIP Fund Growth	-	-	-	-	-	1.03
8029.0998 Units of HDFC Liquid Fund Growth	-	-	-	-	-	0.09
Total	**-**	**-**	**-**	**-**	**-**	**1.12**

There were no quoted investments held by the company as at June 30, 2008 or in any of the five preceding financial years.

ANNEXURE - V – C: SCHEDULE OF SUNDRY DEBTORS

(Rs. in Million)

Particulars	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
- Debts outstanding for a period Exceeding six months	-	-	-	-	-	-
- Others -Unsecured considered good	1.28	0.96	-	-	-	1.00
Total	**1.28**	**0.96**	**-**	**-**	**-**	**1.00**

Note:

Debtors do not include any amount recoverable from promoters, promoter group, group companies, and directors of the company in the balance mentioned above.

ANNEXURE V – D: SCHEDULE OF LOANS AND ADVANCES

(Rs. in Million)

Particulars	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
Advance receivable in Cash or Kind or value to be received						
Considered Good	126.28	81.53	65.95	18.57	1.40	0.79
Considered Doubtful	2.16	2.16	2.16	2.16	2.16	2.16
Advance Tax (Net of Provisions)	17.08	30.56	27.25	14.00	0.29	0.20
Advance Fringe Benefit Tax (Net of Provisions)	-	0.25	0.14	-	-	-
	145.52	**114.50**	**95.5**	**34.73**	**3.85**	**3.15**
Less: Provision for doubtful Advance	2.16	2.16	2.16	2.16	2.16	2.16
Total	**143.36**	**112.34**	**93.34**	**32.57**	**1.69**	**0.99**

Note:

Loans and advances include amounts recoverable from promoters, promoter group, group companies and directors of the company as under:

Particulars	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
YKM Holdings Pvt. Ltd.	0.98	0.98	1.00	0.68	-	-
Modi Telecommunications Ltd.	-	-	-	-	0.33	0.01
Bokel Investments Ltd.	-	-	-	-	-	0.01
Indian Purchase. com Infoware Ltd.	-	-	-	-	0.12	0.05

Total	**0.98**	**0.98**	**1.00**	**0.68**	**0.45**	**0.07**

ANNEXURE V – E: SCHEDULE OF SECURED LOAN

SECURED LOANS: -

(Rs. in Million)

	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
Term Loan						
From Bank	778.24	601.87	-	-	-	-
From Others	191.57	150.04	-	-	-	-
Total	**969.81**	**751.91**	**-**	**-**	**-**	**-**

SECURED LOANS AS AT JUNE 30, 2008: -

Sr No	Name of Institution	Nature	In Rs. million	Repayment terms	Interest Rate	Security
1	State Bank of India (SBI)	Secured Long Term	525.38	Note-4	SBAR+0.25% (Refer Note-1)	Note-5
2	State Bank of Travancore	Secured Long Term	22.56	Note-4	SBT PLR (Refer Note-2)	Note-5
3	State Bank of Saurashtra	Secured Long Term	32.76	Note-4	BPLR – 0.25% (Refer Note-2)	Note-5
4	State Bank of Patiala	Secured Long Term	89.29	Note-4	BPLR(Refer Note-2)	Note-5
5	State Bank of Indore	Secured Long Term	42.82	Note-4	BPLR – 0.25% (Refer Note-2)	Note-5
6	State Bank of Mysore	Secured Long Term	45.46	Note-4	BPLR – 0.25% (Refer Note-2)	Note-5
7	Union Bank of India	Secured Long Term	19.97	Note-4	SBAR+0.25% (Refer Note-1)	Note-5
8	L & T Infrastructure Finance Company Ltd.	Secured Long Term	191.57	Note-4	SBAR+0.25% (Refer Note-1)	Note-5
	Total		**969.81**			

Note:

Interest rates:

1. SBAR is the prime lending rate of SBI
2. SBT PLR is the prime lending rate of State Bank of Travancore
3. BPLR is the prime lending rate of the respective bankers

4. **Repayment terms**
   Repayment for the secured loans stated above would commence from March 15, 2011 in eighteen quarterly installments consisting of Rs.29.40 million in the first installment, Rs.72.80 million in the next six installments and Rs.275.8 million in the remaining eleven.
5. **Details of Security:**
   i) First mortgage and charge over all the immovable properties and assets of the project, both present and future,
   ii) First charge by way of hypothecation on all the movables (including movable plant and machinery, machineries, spares, tools and accessories and other current assets) of the project, both present and future
   iii) First charge/assignment and/creation of security interest on (i) all the rights, title, interest, benefits, claims and demands whatsoever of the company in the project documents, any letter of credit, guarantee or performance bond that may be provided by any party to any project document in favor of the company, all as amended, varied or supplemented from time to time: (ii) all the rights,

title, interest, benefits, claims and demands whatsoever of the company in or under the authorization.

iv) First charge on all company's bank account in relation to the Project including, without limitation, the project capex account and each of the other accounts required to be created by the Company under any Project Document or Contract.

v) First charge and or creation of security interest on the trust and retention account (TRA) to be established by the company for the revenue generated from the project

The aforesaid mortgage and charge shall rank pari-passu with mortgages and charges created/to be created in favor of the participating institutions/ banks to the project

6 Secured loans include interest accrued and due amounting to Rs 9.13 million and Rs. 5.94 million as on June 30, 2008 and March 31, 2008 respectively.

ANNEXURE V – F UNSECURED LOAN: -

(Rs. in Million)

Particulars	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
Short Term						
From Banks	-	-	-	-	-	-
From Others	-	-	-	-	**5.38**	-
Total	**-**	**-**	**-**	**-**	**5.38**	**-**

Notes:

1. Unsecured loans include interest accrued and due amounting to Rs.0.48 million as at March 31, 2005. The rate of interest on all the unsecured loans was 9% p.a.
2. Loans outstanding as at March 31, 2005 were payable on demand.
3. Unsecured Loan do not include any amount recoverable from promoters, promoter group, group companies and directors of the company in the balance mentioned above.

ANNEXURE V – G: SCHEDULE OF SHARE CAPITAL

Particulars	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
No. of shares of Re. 1/- each Fully paid – up	544619499	544619499	544619499	544619499	358436900	
No. of shares of Rs. 10/- each Fully paid-up						30600000
Total no. of shares	544619499	544619499	544619499	544619499	358436900	30600000
Share Capital (Rs. in million)	544.62	544.62	544.62	544.62	358.43	306.00

ANNEXURE V – H SCHEDULE OF RESERVES AND SURPLUS

(Rs. in Million)

Particulars	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
Securities Premium A/c	1486.59	1486.59	1486.59	1486.59	44.29	44.29
Profit and Loss Account	(261.37)	(217.03)	(108.63)	(87.73)	(85.09)	(69.54)
Total	**1225.22**	**1269.56**	**1377.96**	**1398.86**	**(40.80)**	**(25.25)**

ANNEXURE VI: SUMMARY OF ACCOUNTING RATIOS, AS RESTATED

Post-split basis considering face value of equity at Re 1 per share in all the years

Particulars	For the Quarter Ended	For the Year Ended	For the Year Ended	For the Year Ended	For the Year Ended	For the Year Ended March 31,

	June 30, 2008	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005	2004
Face Value per equity share as restated (Re)	1	1	1	1	1	1
Basic earning per share (Rs.)	(0.0814)	(0.199)	(0.0384)	(0.0056)	(0.0452)	(0.0563)
Diluted earning per share (Rs.)	(0.0814)	(0.199)	(0.0384)	(0.0056)	(0.0452)	(0.0563)
Return on Net Worth (%)	(2.51)	(5.98)	(1.09)	(0.14)	(4.17)	(4.93)
Net Asset Value per equity share (Rs.)	3.25	3.33	3.53	4.13	1.08	1.14
Weighted Average Number of equity shares outstanding during the year considered for Basic EPS and Net Asset Value per share	544619499	544619499	544619499	470737675	343803354	257643768
Weighted Average Number of equity shares outstanding during the year considered for Diluted EPS	544619499	544619499	544619499	472707801	367050574	272666060

Pre-split Basis considering face value of equity at Rs 10 per share in all the years

Particulars	For the Quarter Ended June 30, 2008	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Year Ended March 31, 2006	For the Year Ended March 31, 2005	For the Year Ended March 31, 2004
Face Value per equity share as restated (Rs.)	10	10	10	10	10	10
Basic Earning per share (Rs.)	(0.814)	(1.99)	(0.384)	(0.056)	(0.452)	(0.563)
Diluted Earning per share (Rs.)	(0.814)	(1.99)	(0.384)	(0.056)	(0.452)	(0.563)
Return on Net Worth (%)	(2.51)	(5.98)	(1.09)	(0.14)	(4.17)	(4.93)
Net Asset Value per equity share (Rs.)	32.50	33.30	35.30	41.30	10.80	11.40
Weighted Average Number of equity shares outstanding during the year considered for Basic EPS and Net Asset Value per share	54461950	54461950	54461950	47073768	34380335	25764377
Weighted Average Number of equity shares outstanding during the year considered for Diluted EPS	54461950	54461950	54461950	47270780	36705057	27266606

Notes:-

1) As at June 30, 2008 the face value of equity share of the company is Re 1 per share fully paid up. The Board of Directors at its meeting held on July 31, 2004 approved splitting of one equity share of Rs. 10 each into ten equity shares of Re. 1 each and the same was approved by the members at the annual general meeting held on September 30, 2004.

2) The ratios have been computed as per the following formulae:

$$\text{Basic Earning per share (Rs.)} = \frac{\text{Restated net profit after tax}}{\text{Weighted average number of equity shares outstanding during the year}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated net profit after tax}}{\text{Restated net worth excluding revaluation reserve as at the year end}}$$

$$\text{Net Asset Value per Equity share (Rs.)} = \frac{\text{Restated net worth excluding revaluation reserve}}{\text{Weighted average number of equity shares outstanding during the year}}$$

Note: Net Worth = Equity Share Capital + Reserves and Surplus (excluding revaluation reserve) – Miscellaneous Expenditure

3) These ratios are computed on the basis of the restated financial statements of the company and in accordance with the requirement of Accounting Standard (AS) 20 "Earning Per Share" issued by the Institute of Chartered Accountants of India.

ANNEXURE VII : DETAILS OF RATE OF DIVIDEND DECLARED

Particulars	For the Quarter Ended June 30, 2008	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Year Ended March 31, 2006	For the Year Ended March 31, 2005	For the Year Ended March 31, 2004
Equity Shares - Face Value – (Re)	1	1	1	1	1	1
Final Dividend	NIL	NIL	NIL	NIL	NIL	NIL

ANNEXURE VIII: CAPITALISATION STATEMENT AS AT JUNE 30, 2008

(Rs. in Million)

Particulars	Pre Issue As at 30.06.08	Post Issue*
Short Term Debt	Nil	
Long Term Debt	969.81	
Total Debt	**969.81**	
Shareholder's Funds :		
Share Capital	544.62	
Reserves	1225.22	
Total Shareholder's Fund	**1769.84**	
Long Term Debt / Shareholders Funds	**0.55**	

*Share Capital and Reserves, Post-Issue can be ascertained only after the conclusion of the book building process.

Notes:

1. Debt/Equity ratio has been calculated as per the following formula

   = Debt / Shareholders fund

2. The capitalisation statement has been prepared on the basis of restated financial statements.

3. Loans repayable after one year have been considered as Long Term Debts.

ANNEXURE IX: STATEMENT OF TAX SHELTERS

(Rs. in Million)

Particulars	For the Quarter Ended June 30, 2008	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Year Ended March 31, 2006	For the Year Ended March 31, 2005	For the Year Ended March 31, 2004
Net Profit / (Loss) before tax (A)	**(43.59)**	**(107.73)**	**(18.53)**	**(79.74)**	**(0.52)**	**(1.48)**
Tax Rate (including surcharge)	33.99%	33.99%	33.66%	33.66%	36.59%	**35.88%**
Tax at notional rate on profits	**(14.82)**	**(36.62)**	**(6.24)**	**(26.84)**	**(0.19)**	**(0.53)**
Adjustments :						
Permanent Differences						
Loss on sale of stores /Stores written off	-	(4.36)	(1.01)	(0.17)	-	

Advance forfeited	-		-	8.71	-	-
Provision for site restoration and wealth tax	(0.21)	(0.54)	(2.00)	-	-	-
Fee for increase in authorized share capital	-	-	(0.50)	-	-	-
Profit/(Loss) on sale of investments	-	-	-	-	0.01	0.20
Deferred revenue and preliminary expenditure written off	-		-	(79.13)	-	-
Other permanent differences	-	(0.90)	-	-	-	-
Total Permanent Differences (B)	**(0.21)**	**(5.80)**	**(3.51)**	**(70.59)**	**0.01**	**0.20**
Timing Differences						
Difference between tax depreciation and book depreciation	(5.24)	(3.21)	6.07	3.06	0.29	0.32
Deduction on exploration items U/s 42		17.43				
Provision for doubtful advances	-	(2.16)	-	-	-	-
Unpaid Leave encashment and superannuation (net of payment)	(0.40)	(1.83)	(0.10)	(0.13)	-	-
Unpaid gratuity (net of payment)	(0.07)	(0.61)	(0.15)	(0.10)	-	-
Other timing differences	-	(1.83)	(0.61)	(1.20)	-	-
Total Timing Differences (C)	**(5.71)**	**7.79**	**5.21**	**1.63**	**0.29**	**0.32**
Net adjustments (B+C)	**(5.92)**	**1.99**	**1.70**	**(68.96)**	**0.30**	**0.52**
Tax savings/(expense) thereon	**(2.01)**	**0.68**	**0.57**	**(23.21)**	**0.11**	**0.19**
Profit/ (Loss) as per Income Tax returns (D)=(A-B-C)	**(37.67)**	**(109.72)**	**(20.23)**	**(10.78)**	**(0.82)**	**(2.00)**
Brought forward losses adjusted (E)	**-**	**-**	**-**	**-**	**-**	**-**
Taxable Income/ (Loss) (D+E)	(37.67)	(109.72)	(20.23)	(10.78)	(0.82)	(2.00)
Taxable Income/ (Loss) as per MAT	-	-	-	-	-	-
Tax as per Income Tax as returned	**-**	**-**	**-**	**-**	**-**	**-**
Interest U/s 234	-	-	-	-	-	-
Total Tax as per Return	**-**	**-**	**-**	**-**	-	-
Carry forward business loss	(35.74)	(101.28)	(10.31)	(6.01)	Refer Note 3	Refer Note 3
Carry forward depreciation loss	(1.93)	(8.44)	(9.92)	(4.77)	Refer Note 3	Refer Note 3
Total carry forward loss as per return of the year	**(37.67)**	**(109.72)**	**(20.23)**	**(10.78)**	Refer Note 3	Refer Note 3

Note:

1. The aforesaid Statement of Tax Shelters has been prepared as per the audited accounts of Great Eastern Energy Corporation Limited and is not based on the profits as per the 'Summary Restated Profit and Loss Account'.

2. The figures for the period ended June 30, 2008 are based on the provisional computation of total income prepared by the company and final amount will be ascertained at the time of filing of return.

3. During these years company has filed Nil returns and consequently the business losses were not carried forward.

ANNEXURE X: RELATED PARTY TRANSACTIONS

As per Accounting Standard – 18 issued by the Institute of Chartered Accountants of India, the Company's related parties transactions are described below:

Related Party Disclosure-

Name of Related Parties and nature of relationships:

Quarter ended June 30, 2008

Relationship	Name of the Parties
Entities Controlled/Influenced by Related Parties	1. YKM Holdings International Ltd 2. YKM Holdings Pvt. Ltd

	3. Bokel Investments Ltd. 4. CBM Investments Ltd. 5. Modi Telecommunications Ltd.
Shareholders having significant influence	CBM Investments Ltd.
Key Management Personnel	Mr. Y.K Modi (Chairman and CEO)
Relative of Key Management Personnel	Mr. Prashant Modi (President and COO)

Year ended March 31, 2008

Relationship	Name of the Parties
Entities Controlled/Influenced by Related Parties	1. YKM Holdings International Ltd 2. YKM Holdings Pvt. Ltd 3. Bokel Investments Ltd. 4. CBM Investments Ltd. 5. Modi Telecommunications Ltd. 6. Indian Purchase.com Infoware Ltd.
Shareholders having significant influence	CBM Investments Ltd.
Key Management Personnel	Mr. Y.K Modi (Chairman and CEO)
Relative of Key Management Personnel	Mr. Prashant Modi (President and COO)

Year Ended March 31, 2007

Relationship	Name of the Parties
Entities Controlled/Influenced by Related Parties	1. YKM Holdings International Ltd 2. YKM Holdings Pvt. Ltd 3. Bokel Investments Ltd. 4. CBM Investments Ltd. 5. Modi Telecommunications Ltd. 6. Indian Purchase.com Infoware Ltd.
Shareholders having significant influence	CBM Investments Ltd.
Key Management Personnel	1. Mr. Y.K Modi (Chairman and Managing Director) 2. Mr. Prashant Modi (Joint Managing Director) (Refer Note 1) 3. Mr. P K Roy (Director Operations) (Refer Note 2)
Relative of Key Management Personnel	Mr. Prashant Modi (President and COO)

Year Ended March 31, 2006

Relationship	Name of the Parties
Entities Controlled/Influenced by Related Parties	1. YKM Holdings International Ltd 2. YKM Holdings Pvt. Ltd 3. Bokel Investments Ltd. 4. CBM Investments Ltd. 5. Modi Telecommunications Ltd. 6. Indian Purchase.com Infoware Ltd.
Shareholders having significant influence	CBM Investments Ltd.
Key Management Personnel	1. Mr. Y.K Modi (Chairman and Managing Director) 2. Mr. Prashant Modi (Joint Managing Director) 3. Mr. P K Roy (Director Operations)

Year Ended March 31, 2005

Relationship	Name of the Parties
Entities Controlled/Influenced by Related Parties	1. YKM Holdings Pvt. Ltd 2. Bokel Investments Ltd. 3. CBM Investments Ltd.

	4. Modi Telecommunications Ltd. 5. Indian Purchase.com Infoware Ltd.
Shareholders having significant influence	1. CBM Investments Ltd. 2. YKM Holdings Pvt. Ltd
Key Management Personnel	1. Mr. Y.K Modi (Chairman and Managing Director) 2. Mr. Prashant Modi (Jt. Managing Director) 3. Mr. P K Roy (Director Operations)

Year Ended March 31, 2004

Relationship	Name of the Parties
Entities Controlled/Influenced by Related Parties	1. YKM Holdings Pvt. Ltd 2. Bokel Investments Ltd. 3. CBM Investments Ltd. 4. Modi Telecommunications Ltd. 5. Indian Purchase.com Infoware Ltd.
Shareholders having significant influence	1. CBM Investments Ltd. 2. YKM Holdings Pvt. Ltd.
Shareholders excersing control	Mr. Y.K. Modi

Note:

1. Mr. Prashant Modi was Joint Managing Director of the Company from December 20, 2004 to July 31, 2006. Thereafter he was appointed as President and Chief Operating Officer.

2. Dr P.K. Roy was Director (Operations) from February 12, 2005 to Augus 17, 2006.

		Transactions for the period/year ended						Outstanding Balance as at					
Related Party	**Nature of transactions**	**June 30 2008**	**March 31 2008**	**March 31 2007**	**March 31 2006**	**March 31 2005**	**March 31 2004**	**June 30 2008**	**March 31 2008**	**March 31 2007**	**March 31 2006**	**March 31 2005**	**March 31 2004**
YKM Holdings Pvt Ltd	Expenses Recovered	-	0.01	0.01	2.48	-	0.12	1.95 Receivable	1.95 Receivable	1.18 Receivable	1.33 Receivable	17.56 Payable	0.04 Payable
	Payment For Services Rendered	0.05	0.19	1.04	0.61	-	-						
	Lease rental Paid	1.08	4.13	4.37	2.70	-	-						
	Security Deposit Paid	-	-	0.33	0.65	-	-						
	Expenses Paid	-	-	-	-	0.09	0.43						
	Share Application Money Received	-	-	-	-	20.61	-						
	Equity shares allotted against advance received	-	-	-	-	3.11	-						
Mr. Y.K Modi	Directors Remuneration	2.84	12.63	4.13	3.40	0.55	-	-	0.23 Payable	0.48 Payable	1.24 Payable	0.02 Payable	0.02 Payable
	Payment in relation to borrowing	-	28.90	-	-	-	-						
	Expenses paid	-	-	-	-	-	0.02						
Mr. Prashant Modi	Directors Remuneration	-	-	1.29	3.32	0.55	-	-	-	0.21 Payable	0.08 Payable	-	-
Dr. P.K Roy	Directors Remuneration	-	-	0.59	1.10	0.07	-	-	-	0.16 Payable	0.30 Payable	-	-
Mr. Prashant Modi	Remuneration Paid	1.44	4.10	0.07	-	-	-	-	0.21 Payable	0.01 Payable	-	-	-
Indian Purchase.Com Infoware Ltd.	Rent Received	-	0.05	0.07	0.05	0.07	0.07	-	0.06 Payable	-	0.02 Receivable	0.12 Receivable	0.05 Receivable
	Expenses Recovered	-	-	-	-	-	0.01						
	Expenses Paid	-	-	-	-	0.01	0.02						
	Payment For Services Rendered	-	0.13	0.13	-	-	-						
Bokel Investments Ltd.	Loan Taken	-	5.90	-	-	-	-	-	-	-	0.02 Receivable	0.64 Payable	0.01 Receivable
	Loan Repaid	-	5.90	-	-	-	-						
	Service Charges	-	-	-	-	4.65	4.80						
	Expenses Recovered	-	-	-	-	-	0.08						
	Expenses Paid	-	-	-	1.13	1.40	0.09						
	Interest Paid	-	0.02	-	-	-	-						
Modi Telecommunications Ltd.	Expenses Recovered	-	-	-	0.11	0.31	0.18	-	-	-	-	0.33 Receivable	0.01 Receivable
	Expenses Paid	-	-	-	0.11	-	0.09						
CBM Investments	Advance Share Application Money Received	-	-	-	-	55.87	86.08	-	-	-	-	19.96	13.41

	Equity shares allotted against advance received	-	-	-	-	49.33	72.67					Payable	Payable

Appendix-II

Audited Financial statements

AUDITOR'S REPORT

The Board of Directors
Great Eastern Energy Corporation Limited
1D, Ballyhigh, 1st Floor,
1 Ballygunge Park Road,
Kolkata – 700 019
West Bengal
India

Dear Sirs,

1. We have audited the attached Balance Sheet of Great Eastern Energy Corporation Limited ('the Company') as at June 30, 2008, March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005 and March 31, 2004, the related Profit and Loss Account and the Cash Flow Statements for the quarter ended and five years ended on those dates annexed thereto, collectively hereinafter referred to as "the Financial Statements" all of which we have signed under reference to this report. These Financial Statements are the responsibility of the Company's management and have been prepared for the purpose of inclusion in the Offer Documents to be prepared pursuant to an Initial Public Offering in India of equity shares of the Company. Our responsibility is to express an opinion on these Financial Statements based on our audit.

2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. Based on our audit, in our opinion and to the best of our information and according to the explanations given to us, the Financial Statements together with notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

   a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2008, March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005 and March 31, 2004;

   b) in the case of the Profit and Loss Account, of the losses of the Company for the quarter ended June 30, 2008, and five years ended March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005 and March 31, 2004; and

   c) in the case of the Cash Flow Statement, of the cash flows of the Company for the quarter ended June 30, 2008, and five years ended March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005 and March 31, 2004.

4. As indicated in Note 2.23 of Schedule 16, the accompanying financial statements have been prepared on the basis of the audited statutory financial statements for the respective years, which have been adjusted for certain items having impact on the assets, liabilities, retained earnings and net loss in the respective years. However there is no change in the assets, liabilities and reserve position as at June 30, 2008 compared to the audited financial statements for the quarter ended June 30, 2008. The audited statutory financial statements will continue to be the basis of annual reporting for the Company without those adjustments.

5. This report is solely for your information and for the purpose of inclusion in the Offer Document to be prepared pursuant to Initial Public Offering in India of equity shares of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Prabal Kr Sarkar
Partner
Membership No.52340
For and on behalf of
Price Waterhouse
Chartered Accountants

Place: Kolkata
Date: October 1, 2008

BALANCE SHEET

(Rs. in Million)

			As at					
		Schedule No	June 30 2008	March 31 2008	March 31 2007	March 31 2006	March 31 2005	March 31 2004
	SOURCES OF FUNDS							
A	**Shareholders' Funds**							
	Capital	1	544.62	544.62	544.62	544.62	358.43	306.00
	Advance against Share capital						55.32	13.40
	Reserves and Surplus	2	1225.88	1270.22	1378.62	1399.61	39.08	39.48
	Loan Funds							
	Secured Loans	3	969.81	751.91	-	-	-	-
	Unsecured Loans	4	-	-	-	-	5.38	-
	TOTAL		**2740.31**	**2566.75**	**1923.24**	**1944.23**	**458.21**	**358.88**
	APPLICATON OF FUNDS							
B	**Fixed Assets**	5						
	Gross Block		1048.85	707.31	69.35	52.20	6.96	6.19
	Less: Accumulated Depreciation		47.03	35.27	14.40	6.30	2.75	2.25
	Net Block		**1001.82**	**672.04**	**54.95**	**45.90**	**4.21**	**3.94**
C	**Capital Work In Progress**	6	**1621.54**	**1708.05**	**1342.52**	**679.77**	**399.55**	**315.24**
D	**Investments**	7	-	-	-	-	-	**1.12**
	Current Assets, Loans& Advances							
	Inventories	8	76.46	82.58	49.98	16.81	2.81	10.00
	Sundry Debtors	9	1.28	0.96	-	-	-	1.00
	Cash and Bank Balance	10	64.46	120.86	478.55	1261.71	0.08	1.45
	Other Current Assets	11	3.22	2.74	5.04	4.89	1.51	1.54
	Loans and Advances	12	143.36	112.34	93.34	32.57	1.69	0.99
			288.78	**319.48**	**626.91**	**1315.98**	**6.09**	**14.98**
	Less: Current Liabilities and Provisions	13	**171.83**	**132.82**	**101.14**	**97.42**	**30.77**	**41.19**
E	**Net Current Assets**		**116.95**	**186.66**	**525.77**	**1218.56**	**(24.68)**	**(26.21)**
F	**Miscellaneous Expenditure (to the extent not written off or adjusted)**							
	Preliminary Expenditure		-	-	-	-	0.77	0.77
	Deferred Revenue Expenses	14	-	-	-	-	78.36	64.02
	TOTAL (B+C+D+E+F)		**2740.31**	**2566.75**	**1923.24**	**1944.23**	**458.21**	**358.88**
	Significant Accounting Policies and Notes to the Accounts	16						

Note: Schedules referred to above form an integral part of the Balance Sheet.

On behalf of the Board

Prabal Kr Sarkar
Partner
M. No. 52340
For and on behalf of
Price Waterhouse
Chartered Accountants
Place: Kolkata
Date: October 1, 2008

Yogendra Kr. Modi
Chairman & Chief Executive Officer

Kashi Nath Memani
Director

PROFIT & LOSS ACCOUNT

(Rs. in Million)

			For the year ended				
	Schedule No	**For Quarter ended June 30 2008**	**March 31 2008**	**March 31 2007**	**March 31 2006**	**March 31 2005**	**March 31 2004**
INCOME							
Gross sales		8.49	4.94	-		-	-
Less: Excise Duty		0.01	-	-		-	-
Net Sales		8.48	4.94	-		-	-
Interest on Fixed Deposits		-	15.10	59.05	40.63	-	-
Profit on Sale of Investments		-	-	-		0.01	0.20
Other Income		1.71	1.80	0.10	8.78	0.08	-
		10.19	**21.84**	**59.15**	**49.41**	**0.09**	**0.20**
EXPENDITURE							
Manufacturing and other Expenses	15	46.39	114.72	71.34	47.75	0.31	1.57
Depreciation/Amortisation		7.18	11.65	3.86	1.71	0.15	0.11
Deferred Revenue and Preliminary Expenses Written Off		-	-	-	79.13	-	-
Damaged Stores Written Off		-	0.54	1.00	0.17	-	-
Loss on Sale of Assets		-	-	-	0.01	-	-
Provision for site restoration		0.21	0.50	2.00	-	-	-
		53.78	**127.41**	**78.20**	**128.77**	**0.46**	**1.68**
PROFIT/(LOSS) BEFORE TAXATION		**(43.59)**	**(105.57)**	**(19.05)**	**(79.36)**	**(0.37)**	**(1.48)**
Provision for Taxation:							
Current Tax		-	-	-	-	0.03	-
Fringe Benefit Tax		0.75	2.83	1.94	2.41	-	-
PROFIT/(LOSS) AFTER TAXATION		**(44.34)**	**(108.40)**	**(20.99)**	**(81.77)**	**(0.40)**	**(1.48)**
Profit/ (Loss) brought forward from previous years		**(216.37)**	**(107.97)**	**(86.98)**	**(5.21)**	**(4.81)**	**(3.33)**
Balance carried to Balance Sheet		**(260.71)**	**(216.37)**	**(107.97)**	**(86.98)**	**(5.21)**	**(4.81)**
Significant Accounting Policies and Notes to the Accounts	16						

Note: Schedules referred to above form an integral part of the Profit and Loss Account.

On behalf of the Board

Prabal Kr Sarkar
Partner
M. No. 52340
For and on behalf of
Price Waterhouse
Chartered Accountants

Yogendra Kr. Modi
Chairman & Chief Executive Officer

Kashi Nath Memani
Director

Place: Kolkata
Date: October 1, 2008

CASH FLOW STATEMENT

(Rs. in Million)

		For the quarter Ended June 30, 2008	For the financial year ended				
			March 31 2008	March 31 2007	March 31 2006	March 31 2005	March 31 2004
A.	**Cash flow from Operating Activities**						
	Net Profit / (Loss) before tax	**(43.59)**	**(105.57)**	**(19.05)**	**(79.36)**	**(0.37)**	**(1.48)**
	Adjustments for :						
	Depreciation/Amortization	7.18	11.65	3.86	1.71	0.15	0.11
	Interest (Income)/Expense (net)	0.03	(15.08)	(59.05)	(40.62)	(0.48)	-
	(Profit)/Loss on sale of Assets(net)	-	4.50	-	0.01	(0.01)	(0.20)
	Damaged Stock written off	-	0.54	1.00	0.17		
	Liability written back	-	(1.52)	-	-	-	-
	Deferred Revenue & Miscellaneous Expenditure Written off	**-**	**-**	**-**	79.13	-	-
	Provision for Site Restoration Cost	0.21	0.50	2.00	**-**	**-**	**-**
	Unrealized foreign exchange Loss/ (Gain)	1.10	(0.31)	(0.08)	(0.05)	0.06	-
	Operating profit before working capital Changes	**(35.07)**	**(105.29)**	**(71.32)**	**(39.01)**	**(0.65)**	**(1.57)**
	Adjustments for:						
	(Increase) / decrease in Trade and Other Receivables	(32.09)	(17.41)	(60.79)	(19.98)	0.31	(10.26)
	(Increase) / decrease in Inventories	6.12	(37.67)	(34.17)	(14.17)	7.19	3.33
	Increase / (decrease) in Trade Payables	37.68	32.90	1.85	69.46	(10.48)	23.59
	Fringe Benefit Tax Paid	(0.48)	(2.94)	(2.08)	(1.71)	-	-
	Direct Taxes Paid	-	(0.03)	-	(4.60)	-	(0.28)
	Net cash from Operating Activities	**(23.84)**	**(130.44)**	**(166.51)**	**(10.01)**	**(3.63)**	**14.81**
B	**Cash flow from Investing Activities**						
	Purchase of Fixed Assets	(41.35)	(187.47)	(17.15)	(45.27)	(0.77)	(0.98)
	Sale of Fixed Assets	-	0.98	-	-	-	-
	Increase in Capital Work in Progress	(183.72)	(710.75)	(658.50)	(291.56)	(97.39)	(119.77)
	Interest Received	0.89	16.05	59.05	40.62	0.04	0.11
	(Purchase)/Sale of Investment (net)	-	-	-	-	1.13	16.09
	Net cash used in Investing Activities	**(224.18)**	**(881.19)**	**(616.60)**	**(296.21)**	**(96.99)**	**(104.55)**
C.	**Cash flow from Financing Activities**						
	Proceeds from Share issue	-	-	-	1573.18	52.44	72.68
	Advance received against share issue	-	-	-	-	41.91	13.41
	Borrowings	214.71	1002.96	-	-	10.00	-
	Repayment of Borrowings	-	(257.00)	-	(4.90)	(5.10)	-
	Borrowing Cost (Including Interest)	(23.09)	(92.02)	-	(0.48)	-	-
	Net Cash used from Financing Activities	**191.62**	**653.94**	**-**	**1567.80**	**99.25**	**86.09**
	Net changes in cash and cash equivalents (A+B+C)	**(56.40)**	**(357.69)**	**(783.11)**	**1261.58**	**(1.37)**	**(3.65)**
	Cash and cash equivalents at beginning of year	120.86	478.55	1261.66	0.08	1.45	5.10
	Cash and cash equivalents at the end of the year/period	64.46	120.86	478.55	1261.66 (Refer Note 3)	0.08	1.45

Notes:

1. Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

2. Cash and cash equivalents represent "cash and bank balances" only.

3. Net of unrealised foreign exchange fluctuation of Rs 0.05 million.

On behalf of the Board

Prabal Kr Sarkar		
Partner	Yogendra Kr. Modi	Kashi Nath Memani
M. No. 52340	Chairman & Chief Executive Officer	Director
For and on behalf of		
Price Waterhouse		
Chartered Accountants		

Place: Kolkata
Date: October 1, 2008

SCHEDULES TO THE BALANCE SHEET

SCHEDULE-1 : SHARE CAPITAL

(Rs. in Million)

	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
Authorised :						
35,000,000 equity shares of Rs. 10 each						350.00
550,000,000 equity shares of Re. 1 each				550.00	550.00	
650,000,000 equity shares of Re. 1 each	650.00	650.00	650.00			
Issued, Subscribed & Paid-up :						
30,600,000 equity shares of Rs.10/-each fully paid-up						306.00
358,436,900 equity shares of Re.1/- each fully paid-up (Refer (i) of Note 2.19 of Schedule 16)					358.43	
544,619,499 equity shares of Re.1/- each fully paid-up	544.62	544.62	544.62	544.62		
Total	**544.62**	**544.62**	**544.62**	**544.62**	**358.43**	**306.00**

SCHEDULE - 2 : RESERVES AND SURPLUS

(Rs. in Million)

	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
Securities Premium Account	1486.59	1486.59	1486.59	1486.59	44.29	44.29
Profit and Loss Account (Debit Balance)	(260.71)	(216.37)	(107.97)	(86.98)	(5.21)	(4.81)
Total	**1225.88**	**1270.22**	**1378.62**	**1399.61**	**39.08**	**39.48**

SCHEDULE – 3 : SECURED LOANS

(Rs. in Million)

	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
Loan from Banks (Refer Note 2.02 of Schedule 16)	770.67	595.97	-	-	-	-
Interest Accrued and due	7.57	5.90	-	-	-	-
	778.24	**601.87**	-	-	-	-
Loan from Others (Refer Note 2.02 of Schedule 16)	190.00	150.00	-	-	-	-
Interest Accrued and due	1.57	0.04	-	-	-	-
	191.57	**150.04**	-	-	-	-
Total	**969.81**	**751.91**	-	-	-	-

SCHEDULE-4 : UNSECURED LOANS

(Rs. in Million)

	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
Loan from Banks	-	-	-	-	-	-
Interest accrued and due	-	-	-	-	-	-
	-	-	-	-	-	-
Short Term Loan from Others	-	-	-	-	4.90	-
Interest accrued and due	-	-	-	-	0.48	-
Total	-	-	-	-	**5.38**	-

SCHEDULE-5 : FIXED ASSETS

SCHEDULE OF FIXED ASSETS - As at June 30 2008

(Rs. in Million)

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at April 01 2008	Additions	Deductions	As at June 30 2008	As at April 01 2008	For the period	On sale/For the period	As at June 30 2008	As at June 30 2008	As at March 31 2008
INTANGIBLE ASSETS										
Computer Software	6.86	0.79	-	7.65	2.03	0.36	-	2.39	5.26	4.83
TANGIBLE ASSETS										
Land – Freehold	14.52	1.27	-	15.79	-	-	-	-	15.79	14.52
Land-Leasehold	8.50	-	-	8.50	0.24	0.04	-	0.28	8.22	8.26
Building*	25.53	0.79	-	26.32	3.13	0.34	-	3.47	22.85	22.4
Plant & Machinery	175.86	38.24	-	214.10	25.28	9.03	-	34.31	179.79	150.58
Producing Properties (Refer Note 2.01 of Schedule 16)	453.25	300.19	-	753.44	1.42	0.89	-	2.31	751.13	451.83
Furniture & Fixture	13.63	0.07	-	13.70	1.10	0.58	-	1.68	12.02	12.53
Motor Car	9.16	0.19	-	9.35	2.07	0.52	-	2.59	6.76	7.09
Total	**707.31**	**341.54**	**-**	**1048.85**	**35.27**	**11.76**	**-**	**47.03**	**1001.82**	**672.04**

Note :

i) Buildings includes*

a) Premises acquired for Rs 20.06 million (2008 – Rs 20.06 million) which are yet to be registered in the name of the company.

b) Warehouse constructed at a cost of Rs 0.21 million (2008 – Rs 0.21million) on land not owned by the company.

ii) Current period depreciation on project assets amounting to Rs. 4.58 million (2008 – Rs 11.03 million) has been charged to CWIP and balance charged to Profit and Loss account.

SCHEDULE OF FIXED ASSETS – As at March 31 2008

(Rs. in Million)

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at April 01 2007	Additions	Deductions	As at March 31 2008	As at April 01 2007	For the period	On sale/For the period	As at March 31 2008	As at March 31 2008	As at March 31 2007
INTANGIBLE ASSETS										
Computer Software	6.74	0.12	-	6.86	0.67	1.36	-	2.03	4.83	6.07
TANGIBLE ASSETS										
Land – Freehold	6.02	8.50	-	14.52	-	-	-		14.52	6.02
Land- Leasehold	3.16	5.34	-	8.50	0.14	0.1	-	0.24	8.26	3.02
Building *	20.36	5.17	-	25.53	2.04	1.09	-	3.13	22.4	18.32
Plant & Machinery	25.58	150.62	0.34	175.86	8.66	16.9	0.28	25.28	150.58	16.92
Producing Properties (Refer Note 2.01 of Schedule 16)	-	453.25	-	453.25	-	1.42	-	1.42	451.83	-
Furniture & Fixture	2.46	11.64	0.47	13.63	0.85	0.66	0.41	1.1	12.53	1.61
Motor Car	5.03	6.08	1.95	9.16	2.04	1.15	1.12	2.07	7.09	2.99
Total	**69.35**	**640.72**	**2.76**	**707.31**	**14.4**	**22.68**	**1.81**	**35.27**	**672.04**	**54.95**

Note :

i) Buildings includes*

a) Premises acquired for Rs 20.06 million- (2007 - Rs. 20.06 million) which are yet to be registered in the name of the company.

b) Warehouse constructed at a cost of Rs 0.21 million (2007 – Rs 0.21 million) on land not owned by the company.

ii) Current year depreciation on project assets amounting to Rs. 11.03 million (2007- Rs 4.24 million) has been charged to CWIP and balance charged to Profit and Loss account.

SCHEDULE OF FIXED ASSETS - As at March 31 2007

(Rs. in Million)

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at April 01 2006	Additions	Deductions	As at March 31 2007	As at April 01 2006	For the period	On sale/For the period	As at March 31 2007	As at March 31 2007	As at March 31 2006
INTANGIBLE ASSETS										
Computer Software*	-	6.74	-	6.74	-	0.67	-	0.67	6.07	-
TANGIBLE ASSETS										
Land – Freehold	2.54	3.48	-	6.02	-	-	-	-	6.02	2.54
Land- Leasehold	1.74	1.42	-	3.16	0.07	0.07	-	0.14	3.02	1.67
Building**	20.36		-	20.36	1.01	1.03	-	2.04	18.32	19.35
Plant & Machinery	21.03	4.55	-	25.58	3.65	5.01	-	8.66	16.92	17.38
Furniture & Fixture	1.53	0.93	-	2.46	0.57	0.28	-	0.85	1.61	0.96
Motor Car	5.00	0.03	-	5.03	1.00	1.04	-	2.04	2.99	4.00
Total	**52.20**	**17.15**	-	**69.35**	**6.30**	**8.10**	**-**	**14.4**	**54.95**	**45.90**

Note :

i) Intangible assets include*

a) ERP implementation cost of Rs 5.84 million

ii) Buildings includes**

a) Premises acquired for Rs 20.06 million- (2006 - Rs.20.06 million) which are yet to be registered in the name of the company.
b) Warehouse constructed at a cost of Rs 0.21 million (2006 – Rs 0.21 million) on land not owned by the company.

iii) Current year depreciation on project assets amounting to Rs 4.24 million (2006 - Rs 1.84 million) has been charged to CWIP and balance charged to Profit and Loss Account.

SCHEDULE OF FIXED ASSETS - As at March 31 2006

(Rs. in Million)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01 2005	Additions	Deductions	As at March 31 2006	As at April 01 2005	For the Period	On sale/For the period	As at March 31 2006	As at March 31 2006	As at March 31 2005
INTANGIBLE ASSETS										
Computer Software	-	-	-	-	-	-	-	-	-	-
TANGIBLE ASSETS										
Land – Freehold	0.88	1.66		2.54					2.54	0.88
Land- Leasehold	0.44	1.30		1.74	0.05	0.02		0.07	1.67	0.39
Building*	1.24	19.12		20.36	0.43	0.58		1.01	19.35	0.81
Plant & Machinery	3.49	17.57	0.03	21.03	1.6	2.05		3.65	17.38	1.89
Furniture & Fixture	0.55	0.98		1.53	0.45	0.12		0.57	0.96	0.10
Motor Car	0.36	4.64		5.00	0.22	0.78		1.00	4.00	0.14
Total	**6.96**	**45.27**	**0.03**	**52.20**	**2.75**	**3.55**	**-**	**6.30**	**45.90**	**4.21**

Note :

i) *Buildings includes
a) Premises acquired for Rs.20.06 million/- (2005 - Rs.0.94 million) which is yet to be registered in the name of the company.
b) Warehouse constructed at a cost of Rs 0.21 million (2005- Rs 0.21 million) on land not owned by the company.

ii) Current year depreciation on project assets amounting to Rs 1.84 million (2005 – Rs 0.35 million) has been charged to CWIP and balance charged to Profit and Loss Account

SCHEDULE OF FIXED ASSETS - As at March 31 2005

(Rs. in Million)

PATICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01 2004	Additions	Deductions	As at March 31 2005	As at April 01 2004	For the period	On sale/For the period	As at March 31 2005	As at March 31 2005	As at March 31 2004
INTANGIBLE ASSETS										
Computer Software	-	-	-	-	-	-	-	-	-	-
TANGIBLE ASSETS										
Land – Freehold	0.77	0.11	-	0.88	-	-	-	-	0.88	0.77
Land- Leasehold	0.44	-	-	0.44	0.04	0.01	-	0.05	0.39	0.40
Building *	1.15	0.09	-	1.24	0.34	0.09	-	0.43	0.81	0.81
Plant & Machinery	2.92	0.57	-	3.49	1.27	0.33	-	1.60	1.89	1.65
Furniture & Fixture	0.55	-	-	0.55	0.43	0.02	-	0.45	0.10	0.12
Motor Car	0.36	-	-	0.36	0.17	0.05	-	0.22	0.14	0.19
Total	**6.19**	**0.77**	**-**	**6.96**	**2.25**	**0.50**	**-**	**2.75**	**4.21**	**3.94**

Note :

i) *Buildings includes
   a) Premises acquired for Rs 0.94 million (2004 – Rs 0.94 million) which is yet to be registered in the name of the company.
   b) Warehouse constructed at a cost of Rs 0.21 million (2004 – Rs 0.21 million) on land not owned by the company.

iii) Current Year depreciation on project assets amounting to Rs 0.35 million (2004–Rs 0.35 million) has been charged to CWIP and balance charged to Profit and Loss Account

SCHEDULE OF FIXED ASSETS - As at March 31 2004

(Rs. in Million)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01 2003	Additions	Deductions	As at March 31 2004	As at April 01 2003	For the period	On sale/ For the period	s at March 31 2004	As at March 31 2004	As at March 31 2003
INTANGIBLE ASSETS										
Computer Software	-	-	-	-	-	-	-	-	-	-
TANGIBLE ASSETS										
Land – Freehold	0.76	0.01	-	0.77	-	-	-		0.77	0.76
Land- Leasehold	0.44	-	-	0.44	0.03	0.01	-	0.04	0.40	0.42
Building *	1.15	-	-	1.15	0.26	0.08	-	0.34	0.81	0.88
Plant & Machinery	1.94	0.98	-	2.92	1.01	0.26	-	1.27	1.65	0.94
Furniture & Fixture	0.55	-	-	0.55	0.38	0.05	-	0.43	0.12	0.16
Motor Car	0.36	-	-	0.36	0.10	0.07		0.17	0.19	0.25
Total	**5.20**	**0.99**	**-**	**6.19**	**1.78**	**0.47**	**-**	**2.25**	**3.94**	**3.41**

Note :

i) *Buildings includes
   a) Premises acquired for Rs 0.94 million- which is yet to be registered in the name of the company.
   b) Warehouse constructed at a cost of Rs 0.21 million on land not owned by the company.

iii) Current year depreciation on project assets amounting to Rs 0.35 million has been charged to CWIP and balance charged to Profit and Loss Account

SCHEDULE -6: CAPITAL WORK IN PROGRESS (CWIP)

CAPITAL WORK IN PROGRESS As at June 30 2008

(A) EXPLORATORY WELLS IN PROGRESS
(Pending Capitalisation/Allocation)

(Rs. Million)

Description	Balance As at April 01 2008	Additions during the quarter	Capitalisation during the quarter	Balance As at June 30 2008
Signature Bonus	9.10	-	0.60	8.50
Land Development	33.74	4.85	8.10	30.49
Casing Pipes	37.06	4.48	10.92	30.62
Cementing and Fracturing Charges	143.40	43.63	41.70	145.33
Drilling Charges	140.06	11.57	56.93	94.70
Logging and Wire line Charges	41.47	7.28	17.47	31.28
Mobilization/Demobilization Expenses	26.57	16.68	4.16	39.09

Description	Balance As at April 01 2008	Additions during the quarter	Capitalisation during the quarter	Balance As at June 30 2008
Workover Expenses	40.08	1.09	9.39	31.78
Core Hole	71.34	-	7.89	63.45
Salaries, Wages and Bonus	129.20	8.94	22.20	115.94
Repairs and Maintenance	4.39	2.54	1.42	5.51
Power and Fuel	1.13	0.05	0.30	0.88
Insurance	2.57	0.45	0.88	2.14
Rates and Taxes	2.78	0.39	0.84	2.33
Rent	6.92	0.51	0.95	6.48
Printing and Stationery	0.33	0.04	0.10	0.27
Technical Fees	26.87	0.11	15.97	11.01
Water Charges	1.37	-	0.08	1.29
Environment and Survey Charges	3.20	0.01	0.08	3.13
Communication Expenses	3.21	0.22	0.98	2.45
Clearing and Forwarding Charges	1.64	-	0.66	0.98
Freight and Cartage	3.09	0.06	0.68	2.47
Shifting Charges	0.98	0.06	0.39	0.65
Consultancy Charges	16.46	0.32	4.82	11.96
Fees and Legal Expenses	8.18	0.04	0.79	7.43
Force Majeure Expenses	2.38	-	-	2.38
Foreign Exchange Fluctuation	(0.49)	-	0.76	(1.25)
Hire Charges	41.70	10.06	9.22	42.54
Lab Charges	0.09	-	0.05	0.04
Security Expenses	5.60	1.41	2.36	4.65
Stores and Spares Consumption (includes Chemical Consumption)	167.05	35.14	59.77	142.42
Travelling Expenses	56.29	5.73	12.39	49.63
Well Testing Charges	8.66	0.17	0.08	8.75
Bank Charges	3.91	0.76	1.08	3.59
Depreciation on Project Assets	14.62	4.58	4.47	14.73
Service Charges	-	-	-	-
Misc. Expenses	7.53	0.98	2.05	6.46
Total	**1062.48**	**162.15**	**300.53**	**924.10**
(B) EQUIPMENT FOR EXPLORATION /OTHER ASSETS	548.54			574.13
(C) BORROWING COST (Refer Note 2.11 of Schedule 16)	97.86			123.79
Total	**1708.88**	**162.15**	**300.53**	**1622.02**
Less: Interest earned on Margin Money Deposit	(0.83)		(0.35)	(0.48)
Total	**1708.05**	**162.15**	**300.18**	**1621.54**

CAPITAL WORK IN PROGRESS As at March 31 2008

(A) EXPLORATORY WELLS IN PROGRESS
(Pending Capitalisation/Allocation)

(Rs. Million)

Description	Balance As at April 01 2007	Additions during the year	Capitalisation during the year	Balance as At March 31 2008
Signature Bonus	10.00	-	0.90	9.10
Land Development	36.77	9.07	12.10	33.74
Casing Pipes	41.67	11.68	16.29	37.06
Cementing and Fracturing Charges	194.37	18.76	69.73	143.40
Drilling Charges	203.41	10.50	73.85	140.06
Logging and Wire line Charges	70.52	5.55	34.60	41.47
Mobilization/Demobilization Expenses	26.89	5.76	6.08	26.57
Workover Expenses	41.87	16.79	18.58	40.08
Core Hole	89.16	(5.45)	12.37	71.34
Salaries, Wages and Bonus	112.64	43.58	27.02	129.20
Repairs and Maintenance	3.13	2.81	1.55	4.39
Power and Fuel	1.35	0.21	0.43	1.13
Insurance	2.36	1.34	1.13	2.57
Rates and Taxes	2.75	0.75	0.72	2.78
Rent	6.51	1.59	1.18	6.92
Printing and Stationery	0.33	0.14	0.14	0.33
Technical Fees	45.41	4.74	23.28	26.87
Water Charges	1.42	-	0.05	1.37
Environment and Survey Charges	2.74	0.49	0.03	3.20
Communication Expenses	3.86	0.72	1.37	3.21
Clearing and Forwarding Charges	2.15	0.07	0.58	1.64
Freight and Cartage	3.47	0.62	1.00	3.09
Shifting Charges	1.23	0.31	0.56	0.98
Consultancy Charges	19.39	3.81	6.74	16.46
Fees and Legal Expenses	9.13	0.20	1.15	8.18
Force Majeure Expenses	2.38	-	-	2.38
Foreign Exchange Fluctuation	0.66	-	1.15	(0.49)
Hire Charges	34.43	19.53	12.26	41.70
Lab Charges	0.15	-	0.06	0.09
Security Expenses	3.92	4.43	2.75	5.60
Stores and Spares Consumption (includes Chemical Consumption)	220.80	47.90	101.65	167.05
Travelling Expenses	50.19	21.90	15.80	56.29
Well Testing Charges	8.58	0.15	0.07	8.66
Bank Charges	2.77	2.25	1.11	3.91
Depreciation on Project Assets	8.14	11.03	4.55	14.62
Misc. Expenses	8.72	1.76	2.95	7.53
Total	**1273.27**	**242.99**	**453.78**	**1062.48**
(B) EQUIPMENT FOR EXPLORATION /OTHER ASSETS	70.61			548.54
(C) BORROWING COST (Refer Note 2.11 of Schedule 16)	-			97.86
Total	1343.88	242.99	453.78	1708.88
Less: Interest earned on Margin Money Deposit	(1.36)	-	(0.53)	(0.83)

Description	Balance As at April 01 2007	Additions during the year	Capitalisation during the year	Balance as At March 31 2008
Total	**1342.52**	**242.99**	**453.25**	**1708.05**

CAPITAL WORK IN PROGRESS As at March 31 2007

(A) EXPLORATORY WELLS IN PROGRESS
(Pending Capitalisation/Allocation)

(Rs. Million)

Description	Balance As at April 01 2006	Addition s during the year	As at March 31 2007
Signature Bonus	10.00	-	10.00
Land Development	23.39	13.38	36.77
Casing Pipes	18.30	23.37	41.67
Cementing and Fracturing Charges	68.28	126.09	194.37
Drilling Charges	94.62	108.79	203.41
Logging and Wire line Charges	15.64	54.88	70.52
Mobilization/Demobilization Expenses	26.01	0.88	26.89
Workover Expenses	24.45	17.42	41.87
Core Hole	16.58	72.58	89.16
Salaries, Wages and Bonus	86.6	26.04	112.64
Repairs and Maintenance	2.23	0.90	3.13
Power and Fuel	0.83	0.52	1.35
Insurance	1.59	0.77	2.36
Rates and Taxes	1.69	1.06	2.75
Rent	5.43	1.08	6.51
Printing and Stationery	0.23	0.10	0.33
Technical Fees	45.41	-	45.41
Water Charges	1.31	0.11	1.42
Environment and Survey Charges	1.6	1.14	2.74
Communication Expenses	3.04	0.82	3.86
Clearing and Forwarding Charges	1.31	0.84	2.15
Freight and Cartage	3.05	0.42	3.47
Shifting Charges	0.03	1.20	1.23
Consultancy Charges	7.76	11.63	19.39
Fees and Legal Expenses	2.94	6.19	9.13
Force Majeure Expenses	2.38	-	2.38
Foreign Exchange Fluctuation	0.75	(0.09)	0.66
Hire Charges	8.71	25.72	34.43
Lab Charges	0.15	-	0.15
Security Expenses	3.72	0.20	3.92
Stores and Spares Consumption (includes Chemical Consumption)	45.67	175.13	220.80
Travelling Expenses	38.83	11.36	50.19
Well Testing Charges	8.28	0.30	8.58
Bank Charges	1.46	1.31	2.77
Depreciation on Project Assets	3.9	4.24	8.14

Description	Balance As at April 01 2006	Addition s during the year	As at March 31 2007
Misc. Expenses	3.76	4.96	8.72
Total	**579.93**	**693.34**	**1273.27**
(B) EQUIPMENT FOR EXPLORATION /OTHER ASSETS	101.20		70.61
(C) BORROWING COST	-	-	-
Total	**681.13**	**693.34**	**1343.88**
Less: Interest earned on Margin Money Deposit	(1.36)	-	(1.36)
Total	**679.77**	**693.34**	**1342.52**

CAPITAL WORK IN PROGRESS As at March 31 2006

(A) EXPLORATORY WELLS IN PROGRESS
(Pending Capitalisation/Allocation)

(Rs. Million)

Description	Balance As at April 01 2005	Additions during the year	Balance As at March 31 2006
Signature Bonus	10.00	-	10.00
Land Development	6.76	16.63	23.39
Casing Pipes	18.30	-	18.30
Cementing and Fracturing Charges	58.01	10.27	68.28
Drilling Charges	39.10	55.52	94.62
Logging and Wire line Charges	7.74	7.90	15.64
Mobilization/Demobilization Expenses	14.84	11.17	26.01
Workover Expenses	17.40	7.05	24.45
Core Hole	7.07	9.51	16.58
Salaries, Wages and Bonus	70.29	16.31	86.60
Repairs and Maintenance	1.77	0.46	2.23
Power and Fuel	0.56	0.27	0.83
Insurance	1.21	0.38	1.59
Rates and Taxes	0.75	0.94	1.69
Rent	4.74	0.69	5.43
Printing and Stationery	0.14	0.09	0.23
Technical Fees	40.96	4.45	45.41
Water Charges	1.23	0.08	1.31
Environment and Survey Charges	1.60	-	1.60
Communication Expenses	2.45	0.59	3.04
Clearing and Forwarding Charges	0.35	0.96	1.31
Freight and Cartage	2.04	1.01	3.05
Shifting Charges	0.03	-	0.03
Consultancy Charges	6.78	0.98	7.76
Fees and Legal Expenses	0.59	2.35	2.94
Force Majeure Expenses	2.38	-	2.38
Foreign Exchange Fluctuation	0.75	-	0.75
Hire Charges	7.23	1.48	8.71
Lab Charges	0.15	-	0.15
Security Expenses	2.65	1.07	3.72

Description	Balance As at April 01 2005	Additions during the year	Balance As at March 31 2006
Stores and Spares Consumption (includes Chemical Consumption)	29.92	15.75	45.67
Travelling Expenses	27.79	11.04	38.83
Well Testing Charges	7.91	0.37	8.28
Bank Charges	0.93	0.53	1.46
Depreciation on Project Assets	2.06	1.84	3.90
Misc. Expenses	2.47	1.29	3.76
Total	**398.95**	**180.98**	**579.93**
(B) EQUIPMENT FOR EXPLORATION /OTHER ASSETS	1.96		101.20
(C) BORROWING COST	-	-	-
Total	**400.91**	**180.98**	**681.13**
Less: Interest earned on Margin Money Deposit	(1.36)	-	(1.36)
Total	**399.55**	**180.98**	**679.77**

CAPITAL WORK IN PROGRESS As at March 31 2005

(A) EXPLORATORY WELLS IN PROGRESS
(Pending Capitalisation/Allocation)

(Rs. Million)

Description	Balance As at April 01 2004	Additions during the year	Balance As at March 31 2005
Signature Bonus	10.00	-	10.00
Land Development	6.48	0.28	6.76
Casing Pipes	18.30	-	18.30
Cementing and Fracturing Charges	46.19	11.82	58.01
Drilling Charges	39.10	0.00	39.10
Logging and Wire line Charges	4.51	3.23	7.74
Mobilization/Demobilization Expenses	9.99	4.85	14.84
Workover Expenses	-	17.40	17.40
Core Hole	7.07	-	7.07
Salaries, Wages and Bonus	60.66	9.63	70.29
Repairs and Maintenance	1.61	0.16	1.77
Power and Fuel	0.51	0.05	0.56
Insurance	0.87	0.34	1.21
Rates and Taxes	0.14	0.61	0.75
Rent	4.19	0.55	4.74
Printing and Stationery	0.12	0.02	0.14
Technical Fees	36.03	4.93	40.96
Water Charges	0.85	0.38	1.23
Environment and Survey Charges	1.60	-	1.60
Communication Expenses	2.10	0.35	2.45
Clearing and Forwarding Charges	0.05	0.30	0.35
Freight and Cartage	1.78	0.26	2.04
Shifting Charges	0.03	-	0.03
Consultancy Charges	2.03	4.75	6.78

Description	Balance As at April 01 2004	Additions during the year	Balance As at March 31 2005
Fees and Legal Expenses	0.33	0.26	0.59
Force Majeure Expenses	2.38	-	2.38
Foreign Exchange Fluctuation	(0.05)	0.80	0.75
Hire Charges	4.78	2.45	7.23
Lab Charges	0.15	-	0.15
Security Expenses	1.84	0.81	2.65
Stores and Spares Consumption (includes Chemical Consumption)	21.90	8.02	29.92
Travelling Expenses	21.94	5.85	27.79
Well Testing Charges	3.56	4.35	7.91
Bank Charges	0.70	0.23	0.93
Depreciation on Project Assets	1.71	0.35	2.06
Misc. Expenses	1.68	0.79	2.47
Total	**315.13**	**83.82**	**398.95**
(B) EQUIPMENT FOR EXPLORATION /OTHER ASSETS	1.43		1.96
(C) BORROWING COST	-		-
Total	**316.56**	**83.82**	**400.91**
Less: Interest earned on Margin Money Deposit	(1.32)	(0.04)	(1.36)
Total	**315.24**	**83.78**	**399.55**

CAPITAL WORK IN PROGRESS As at March 31 2004

(A) EXPLORATORY WELLS IN PROGRESS
(Pending Capitalisation/Allocation)

(Rs. in Million)

Description	Balance As at April 01 2003	Additions during the year	Balance As at March 31 2004
Signature Bonus	10.00	-	10.00
Land Development	3.01	3.47	6.48
Casing Pipes	18.30	0.00	18.30
Cementing and Fracturing Charges	18.35	27.84	46.19
Drilling Charges	16.12	22.98	39.10
Logging and Wire line Charges	1.78	2.73	4.51
Mobilization/Demobilization Expenses	5.81	4.18	9.99
Core Hole	-	7.07	7.07
Salaries, Wages and Bonus	53.38	7.28	60.66
Repairs and Maintenance	1.29	0.32	1.61
Power and Fuel	0.47	0.04	0.51
Insurance	0.56	0.31	0.87
Rates and Taxes	0.02	0.12	0.14
Rent	3.61	0.58	4.19
Printing and Stationery	0.09	0.03	0.12
Technical Fees	24.10	11.93	36.03
Water Charges	0.32	0.53	0.85
Environment and Survey Charges	1.60	-	1.60
Communication Expenses	1.84	0.26	2.10

Description	Balance As at April 01 2003	Additions during the year	Balance As at March 31 2004
Clearing and Forwarding Charges	-	0.05	0.05
Freight and Cartage	1.56	0.22	1.78
Shifting Charges	0.03	-	0.03
Consultancy Charges	1.77	0.26	2.03
Fees and Legal Expenses	0.31	0.02	0.33
Force Majeure Expenses	2.38	-	2.38
Foreign Exchange Fluctuation	-	(0.05)	(0.05)
Hire Charges	0.80	3.98	4.78
Lab Charges	0.15	-	0.15
Security Expenses	1.15	0.69	1.84
Stores and Spares Consumption (includes Chemical Consumption)	9.61	12.29	21.90
Travelling Expenses	14.72	7.22	21.94
Well Testing Charges	-	3.56	3.56
Bank Charges	0.46	0.24	0.70
Depreciation on Project Assets	1.36	0.35	1.71
Misc. Expenses	1.41	0.27	1.68
Total	**196.36**	**118.77**	**315.13**
(B) EQUIPMENT FOR EXPLORATION /OTHER ASSETS	-		1.43
(C) BORROWING COST	-		
Total	**196.36**	**118.77**	**316.56**
Less: Interest earned on Margin Money Deposit	(1.21)	(0.11)	(1.32)
Total	**195.15**	**118.66**	**315.24**

SCHEDULE-7 : INVESTMENTS

(Rs. in Million)

	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
Investments – Other than trade (Current)						
Unquoted:						
64596.4484 Units of Templeton MIP Fund Growth	-	-	-	-	-	1.03
8029.0998 Units of HDFC Liquid Fund Growth	-	-	-	-	-	0.09
Total	**-**	**-**	**-**	**-**	**-**	**1.12**

SCHEDULE-8: INVENTORIES

(Rs. in Million)

	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
Inventories						
(At lower of cost or net realizable value)						
(As certified by the Management)						
Stock of Stores and spares	76.46	82.58	49.98	16.81	2.81	10.00
Total	**76.46**	**82.58**	**49.98**	**16.81**	**2.81**	**10.00**

SCHEDULE – 9: SUNDRY DEBTORS

(Rs. in Million)

	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
(Unsecured – Considered good)						
Debts outstanding for a period of more than six months	-	-	-	-	-	-
- Others	1.28	0.96	-	-	-	1.00
Total	**1.28**	**0.96**	**-**	**-**	**-**	**1.00**

SCHEDULE – 10 : CASH AND BANK BALANCES

(Rs. in Million)

	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
Cash in hand	0.08	-	0.02	0.10	0.02	0.09
With Scheduled Banks						
- on Current accounts	0.90	52.51	4.59	18.30	0.06	0.31
- on Fixed deposit accounts	63.48	68.35	473.94	1243.31	-	1.05
Total	**64.46**	**120.86**	**478.55**	**1261.71**	**0.08**	**1.45**

SCHEDULE - 11 :OTHER CURRENT ASSETS

(Rs. in Million)

	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
Interest accrued on fixed deposits	0.36	0.22	2.51	3.55	-	0.04
Sundry Deposits	2.86	2.52	2.53	1.34	1.51	1.50
Total	**3.22**	**2.74**	**5.04**	**4.89**	**1.51**	**1.54**

SCHEDULE- 12 : LOANS AND ADVANCES

(Rs. in Million)

	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
(Unsecured – Considered good unless otherwise stated)						
Advances receivable in Cash or Kind or value to be received						
-Considered Good	126.28	81.53	65.95	18.57	1.40	0.79
-Considered Doubtful	2.16	2.16	2.16	2.16	2.16	2.16
Advance Tax (Net of Provisions)	17.08	30.56	27.25	14.00	0.29	0.20
Advance Fringe Benefit Tax (Net of Provisions)	-	0.25	0.14			
	145.52	**114.50**	**95.50**	**34.73**	**3.85**	**3.15**
Less: Provision for doubtful Advance	2.16	2.16	2.16	2.16	2.16	2.16
Total	**143.36**	**112.34**	**93.34**	**32.57**	**1.69**	**0.99**

SCHEDULE- 13 : CURRENT LIABILITIES AND PROVISIONS

(Rs. in Million)

	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
Current Liabilities :						
Sundry Creditors	127.35	97.36	81.49	75.56	17.96	34.51
Advance received from customers	0.34	0.16	-	-	-	-
Other Liabilities	32.78	24.62	14.84	20.19	11.84	6.27
Provisions :						
For site restoration	2.71	2.50	2.00	-	-	-
For employee benefits	8.62	8.14	2.81	1.67	0.97	0.41
For wealth tax	-	0.04	-	-	-	-
For fringe benefits tax	0.03	-	-	-	-	-
Total	**171.83**	**132.82**	**101.14**	**97.42**	**30.77**	**41.19**

SCHEDULE- 14- DEFERRED REVENUE EXPENDITURE

Deferred Revenue Expenditure As at March, 31, 2005

(Rs. in Million)

Description	Balance As at April 01 2004	Additions during the year	Balance As at March 31 2005
Salaries, Wages & Bonus	2.26	1.11	3.37
Repairs & Maintenance	1.02	0.21	1.23
Power & Fuel	0.71	0.23	0.94
Insurance	0.13	0.04	0.17
Rates & Taxes	0.16	0.16	0.32
Rent	2.11	1.46	3.57
Printing & Stationery	0.38	0.16	0.54
Water Charges	-	0.01	0.01
Communication Expenses	2.77	0.21	2.98
Freight & Cartage	-	0.01	0.01
Shifting Charges	0.06	0.00	0.06
Consultancy Charges	0.54	0.42	0.96
Fees & Legal Expenses	0.80	0.94	1.74
Security Expenses	0.12	0.00	0.12
Travelling Expenses	8.88	2.57	11.45
Bank Charges	0.12	0.00	0.12
Service Charges	37.60	4.65	42.25
Miscellaneous Expenses	6.36	2.16	8.52
Total	**64.02**	**14.34**	**78.36**

Deferred Revenue Expenses As at March, 31, 2004

(Rs. in Million)

Description	Balance As at April 01 2003	Additions during the year	Balance As at March 31 2004
Salaries, Wages & Bonus	1.70	0.56	2.26
Repairs & Maintenance	0.72	0.30	1.02
Power & Fuel	0.46	0.25	0.71
Insurance	0.12	0.01	0.13
Rates & Taxes	0.09	0.07	0.16
Rent	1.69	0.42	2.11
Printing & Stationery	0.28	0.10	0.38
Communication Expenses	2.44	0.33	2.77
Shifting Charges	0.06	-	0.06
Consultancy Charges	0.50	0.04	0.54
Fees & Legal Expenses	0.79	0.01	0.80
Security Expenses	0.12	-	0.12
Travelling Expenses	6.19	2.69	8.88
Bank Charges	0.12	-	0.12
Miscellaneous Expenses	3.36	3.00	6.36
Service Charges	32.80	4.80	37.60
Total	**51.44**	**12.58**	**64.02**

SCHEDULE TO THE PROFIT AND LOSS ACCOUNT

SCHEDULE- 15- MANUFACTURING AND OTHER EXPENSES

(Rs. In Million)

Description	For quarter ended June 30 2008	For the year ended				
		March 31 2008	March 31 2007	March 31 2006	March 31 2005	March 31 2004
Workover Expense	1.12	0.87	-	-	-	-
Stores and spares consumed	5.04	3.66	-	-	-	-
Outward Freight	1.38	1.57	-	-	-	-
Royalty	0.53	0.31	-	-	-	-
Production Level Payment	0.13	0.08	-	-	-	-
Salaries, wages and bonus	9.87	28.50	16.30	9.96	0.12	0.04
Staff welfare expenses	0.07	0.17	0.11	-	-	-
Repairs & Maintenance	1.38	2.89	2.03	1.24	-	-
Power and fuel	0.14	0.38	0.56	0.46	-	-
Insurance	0.46	1.79	2.39	0.99	-	-
Rent	1.81	5.93	4.18	3.52	-	-
Rates & Taxes	0.15	0.76	0.13	0.32	0.02	-
Postage Printing & Stationery	0.13	0.53	0.26	0.59	-	-
Communication	0.96	2.93	1.40	0.87	-	-

Description	For quarter ended June 30 2008	For the year ended				
		March 31 2008	March 31 2007	March 31 2006	March 31 2005	March 31 2004
Travelling and Conveyance	5.83	17.52	11.40	9.97	0.01	0.02
Bank Charges	0.25	1.06	0.37	0.21	-	-
Fee & Legal Expenses	1.75	1.41	1.86	0.04	-	-
Freight & Cartage	0.02	0.04	-	0.03	-	-
Equipment Hiring Charges	1.20	1.23	-	0.01	-	-
Foreign Exchange(Net)-(Gain)/Loss	1.23	(1.02)	(0.13)	0.40	-	-
Directors Fee	0.18	0.52	0.60	0.59	0.07	-
Training expenses	-	-	1.46	-	-	-
Advertisement and publicity	0.20	2.67	0.66	-	-	-
Audit Fees	0.15	3.47	2.55	-	0.09	0.03
Consultancy	8.52	24.63	18.88	13.56	-	-
Security expenses	0.87	0.96	0.09	-	-	-
Conference and Subscription	1.61	2.19	1.34	-	-	-
Loss on Sale of Assets	-	4.53	-	-	-	-
Business Promotion Expenses	0.26	1.49	0.48	-	-	-
Bid Expenses	-	2.94	4.17	-	-	1.48
Miscellaneous Expenses	1.15	0.71	0.25	4.99	-	-
Total	**46.39**	**114.72**	**71.34**	**47.75**	**0.31**	**1.57**

SCHEDULE – 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1. Significant Accounting Policies:

(a) Basis of Accounting:

The financial statements are prepared under the historical cost convention to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956.

(b) Fixed Assets:

Tangible assets

Fixed Assets are stated at their cost of acquisition together with any incidental expenses of acquisition.

Intangible assets

Intangible assets are recognised only when future economic benefits attributable to the assets will flow to the enterprise and cost can be measured reliably and are being amortized over its useful life of five years on a straight line basis.

Impairment of fixed assets

Cash generating units/ assets are assessed for possible impairment at the balance sheet date based on external and internal sources of information. Impairment losses, if any, are recognised as an expense in the profit & loss account.

(c) Depreciation:

Depreciation has been provided on written down value method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. However**,** building constructed on land not owned by the Company is being depreciated over a period of five years and leasehold land is being amortized over the period of lease.

Cost of wells capitalized are depreciated according to the 'unit of production' method as prescribed by the Institute of Chartered Accountants of India in the "Guidance Note on Accounting for Oil and Gas Producing Activities".

Depreciation on assets utilized for the project has been capitalized under the head Capital Work In Progress.

(d) Exploratory Wells in Progress and Producing Properties:

Expenses incurred for developing and constructing wells have been Capitalized and included under the head Capital Work in Progress in line with the suggested treatment prescribed by the Institute of Chartered Accountants of India in the "Guidance Note on Accounting for Oil and Gas Producing Activities" under the 'full cost' method.

Producing Properties are created and included under the head fixed assets in respect of a well having developed reserves when the well is ready to commence commercial production**.**

(e) Inventories:

Inventories of Stores, Spares and Consumables are valued at the lower of cost, computed on a weighted average basis, and estimated net realizable value, after providing for cost of obsolescence.

(f) Retirement Benefit:

The company operates defined contribution schemes like Provident and Family Pension Fund and makes regular contribution to these funds, administered by the government authorities. Contributions are recognised in the profit & loss account on an accrual basis.

The company also provides for retirement benefits with defined benefits in the form of gratuity and pension. Such benefits though not funded are provided for based on actuarial valuation done by independent valuer at the end of the year. Actuarial Gains and Losses are recognised immediately in the Profit and Loss Account**.**

Short term employee benefits are recognised as an expense in the Profit & Loss Account of the year in which the related service is rendered.

(g) Taxes on Income:

Current tax represents the amount that would be payable based on computation of tax as per prevailing taxation laws under the Income Tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised unless there is reasonable certainty and in case of brought forward loss and unabsorbed depreciation there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(h) Foreign Currency Transactions:

Transactions in foreign currencies are recorded in rupees by applying the exchange rate prevailing at the time of transactions. Exchange fluctuation on settlement and those arising on translation of monetary assets and liabilities denominated in foreign currency at the Balance Sheet date are recognised in the profit and loss account as exchange gain or loss made during the year.

Prior to April 01 2007, exchange fluctuation relating to fixed assets and assets included under the head capital work in progress acquired outside India were adjusted in the cost of such assets.

(i) Provisions

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

(j) Borrowing Cost

Borrowing cost that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized till substantial completion of all the activities that are necessary for this purpose. Other borrowing costs are charged to revenue.

(k) Sales

Sales represent invoiced value of goods supplied less excise duty and sales tax.

2. NOTES TO THE ACCOUNTS

2.01 Commencement of commercial production

The company has commenced commercial production with effect from July 14, 2007. Consequently cost of nine producing wells amounting to Rs 453.25 million and six producing wells amounting to Rs 300.19 million has been capitalized during the year ended March 31, 2008 and quarter ended June 30, 2008 respectively. The same have been included under the head Fixed Assets in the respective years.

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2.02 Secured term Loan

The Secured term loans taken during the year ended March 31, 2008 are secured by :-

i) First mortgage and charge over all the immovable properties and assets of the project, both present and future
ii) First charge by way of hypothecation on all the movables (including movable plant and machinery, machineries, spares, tools and accessories and other current assets) of the project, both present and future
iii) First charge/assignment and/creation of security interest on (i) all the rights, title, interest, benefits, claims and demands whatsoever of the company in the project documents, any letter of credit, guarantee or performance bond that may be provided by any party to any project document in favour of the company, all as amended, varied or supplemented from time to time: (ii) all the rights, title, interest, benefits, claims and demands whatsoever of the company in or under the authorization.
iv) First charge on all company's bank account in relation to the project including, without limitation, the project capex account and each of the other accounts required to be created by the company under any project document or contract.
v) First charge and or creation of security interest on the trust and retention account (TRA) to be established by the company for the revenue generated from the project.

The aforesaid mortgage and charge shall rank pari-passu with mortgages and charges created/to be created in favour of the participating institutions/ banks to the project.

2.03 Employee Benefit Obligations:

The company has two post retirement unfunded benefit plans, namely gratuity and superannuation and one state administered fund, which is funded.

Gratuity

Gratuity is computed as half-month's salary, for every completed year of service and is payable on retirement/termination. The company makes provision of such gratuity liability in the books of accounts on the basis of actuarial valuation.

Superannuation Plan

The Superannuation (pension) plan for the company is a defined benefit scheme where monthly contribution at the rate of 15% of salary is payable. These contributions will accumulate at the rate of interest prevailing at the time of retirement/resignation/termination. At the time of retirement, termination or separation of employee, accumulated contribution will be utilized to buy pension annuity from an insurance company. The company makes provision of such pension liability in the books of accounts on the basis of actuarial valuation.

Provident Fund

The State administered Provident Fund is a defined contribution scheme, whereby the company deposits an amount determined as a fixed percentage of basic pay to the fund every month.

Leave Benefit

Leave benefit comprises of leave balances accrued by employees. The Leave balance is not en-cashable. These balances can be accumulated up to a maximum of 60 days and can be carried forward for a period of one year except for 2 employees who are eligible for leave encashment at the time of retirement.

As per actuarial valuation as at March 31, 2008 and June 30, 2008 and recognized in the financial statements in respect of Employee Benefit Schemes.

Components of Employer Expense recognized in the Profit & Loss Account

(Rs. in Million)

	Gratuity (Unfunded)		Pension Plan (Unfunded)	
Particulars	**For the quarter ended June 30 2008**	**For the year ended March 31 2008**	**For the quarter ended June 30 2008**	**For the year ended March 31 2008**
Current Service Cost	0.22	0.76	0.30	1.22
Interest Cost	0.04	0.04	0.04	0.07
Employee contributions	-	-	-	-
Expected return on Plan assets	-	-	-	-
Settlement cost	-	-	-	-
Past service cost	-	-	-	-
Net Actuarial (Gain) /Loss	(0.21)	0.87	-	(0.03)
Total	**0.05**	**1.67**	**0.34**	**1.26**

Note : Out of the above Rs 1.64 million and Rs 0.19 million has been transferred to Capital Work in Progress (CWIP) account during the year ended March 31 2008 and quarter ended June 30, 2008 respectively.

Net Asset /(Liability) recognized in the Balance Sheet

(Rs. in Million)

Particulars	Gratuity (Unfunded)		Pension Plan (Unfunded)	
	As at June 30 2008	As at March 31 2008	As at June 30 2008	As at March 31 2008
Present Value of Defined Benefit obligation	(2.09)	(2.04)	(2.24)	(1.89)
Fair Value of Plan Assets	-	-	-	-
Funded Status [Surplus / (Deficit)]	(2.09)	(2.04)	(2.24)	(1.89)
Net Asset / (Liability)	(2.09)	(2.04)	(2.24)	(1.89)

Change in Defined Benefit Obligations

(Rs. in Million)

Particulars	Gratuity (Unfunded)		Pension Plan (Unfunded)	
	As at June 30 2008	As at March 31 2008	As at June 30 2008	As at March 31 2008
Opening Present Value of Defined Benefit obligation	2.04	0.60	1.89	1.18
Current Service cost	0.22	0.76	0.31	1.22
Interest Cost	0.04	0.04	0.04	0.07
Actuarial (Gains) / Loss	(0.21)	0.87	0.00	(0.03)
Benefits Paid	-	(0.23)	-	(0.55)
Closing Present Value of Defined Benefit obligation	2.09	2.04	2.24	1.89

Actuarial Assumptions		
Mortality Table	LICI -1994-1996	LICI -1994-1996
Discount Rate	8.50%	8.50%
Inflation Rate	6.00%	6.00%

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

Note:

i) The defined benefit plans being unfunded, disclosures in respect of opening and closing fair value of plan assets and its major components have not been furnished.

ii) Amounts of Rs 0.38 million for the quarter ended June 30, 2008 (2008 - Rs 1.02 million) and Rs 0.35 million for the quarter ended June 30, 2008 (2008 - Rs 1.24 million) are recognized as an expense and included in the head "Salaries, wages and bonus '' in the Profit and Loss Account and Capital Work in Progress account respectively for Defined contribution plan.

iii) The present value obligation for gratuity and pension plans have been determined based on actuarial valuation using the Projected Unit Credit Method.

iv) The company has implemented Accounting Standard (AS) 15 (Revised) from the year ended March 31, 2008, hence disclosure in respect of prior years has not been given.

2.04 Pursuant to Section 43A of the Companies Act, 1956 being made inoperative by the Companies Amendment Act, 2000, the members of the Company had passed a resolution in the extra-ordinary general meeting held on April 10, 2005 for conversion of the Company into a Public Limited Company. The Company had completed other legal formalities in this regard and had changed its status into a 'Public Limited' company from the year 2005-06.

2.05 During the year ended March 31, 2004, an amount of Rs 64.02 million have been transferred from Capital work in progress to Deferred revenue expenses being in the nature of Corporate and administrative

expenses. Subsequently during the year ended 31st March 2006, the company has written off Rs 79.13 million comprising of Deferred Revenue and Preliminary Expenditure amounting to Rs 78.36 million and Rs 0.77 million respectively.
Such change in accounting policy was necessitated to bring the accounting treatment in line with the requirement of the Guidance note on "Treatment of expenditure during construction period" issued by the Institute of Chartered Accountants of India.

2.06 During the year ended March 31, 2006, the Company has issued 126,182,599 equity shares of Re 1/- each to various investors in India and abroad on preferential/private placement basis. Out of the above, names of the holders of 65,569,026 equity shares of Re 1/- each have been entered into the register of members on surrender of share warrants.

2.07 During the year ended March 31 2006, the Company has issued Global Depository Receipts (GDR's) comprising of 12,000,000 GDRs against fresh issue of 60,000,000 equity shares of Re 1 each and 6,803,504 sponsored GDRs representing 34,017,520 equity shares offered by the existing shareholders of the company, at a price of 101 pence per GDR. These GDR's have been listed in the Alternative Investment Market (AIM) of the London Stock Exchange. A part of the GDR issue expenses amounting to Rs 44.79 million incurred by the Company were recovered from the proceeds of the sponsored GDRs on a proportionate basis and the balance remitted to the shareholders who had offered their shares for sale under the sponsored GDR scheme. An amount of Rs 80.61 million representing the balance issue expense had been adjusted against the securities premium account.

2.08 During the year ended March 31, 2007, the company has issued sponsored Global Depository Receipts (GDRs) comprising of 57,418,843 GDRs against 287,094,215 equity shares of Re. 1 each offered by the existing shareholders of the company, at a price of 127.50 pence (INR 110.40) per GDR. These GDRs have been listed in the Alternative Investment Market (AIM) of the London Stock Exchange. However, this did not increase the amount of issued capital of the company.

2.09 The company had entered into a Memorandum of Understanding (MOU) with Energy Ventures, L.L.C. (EV) on July 4, 2005, a company incorporated under the laws of Delaware, USA for acquiring upto 20% 'farm-in' i.e. participating interest in the company's contract area under the Production Sharing Contract with Director General of Hydrocarbon, Ministry of Petroleum and Natural Gas, Government of India. As per the terms of the MOU, EV had agreed to fund USD 25,000,000 against approved work programme for the development phase. The company had received USD 200,000 (Rs 8.71 million) as non refundable advance from EV, subject to the approval of Government of India.

However, the company has subsequently terminated the MOU with EV and forfeited the non-refundable advance of USD 200,000 (INR 8.71 million) received from EV, in terms of the MOU entered into with them. This amount of Rs.8.71 million has been included under the head Miscellaneous Income in the profit and loss account for the year ended March 31, 2006.

2.10 During the year ended March 31, 2007 loans and advances included service tax credit receivable amounting to Rs. 41.60 million which includes Rs 0.52 million expensed out in profit and loss account in earlier years.

2.11 The company had during the year ended March 31, 2008 paid an amount of Rs 28.90 million to Mr. Y.K.Modi, a director of the company, in relation to approval of debt facility of Rs 3500 million from the consortium of banks led by State Bank of India (SBI).

The bankers had withheld approval of the aforesaid loan as an old personal guarantee furnished by Mr. Modi to SBI for the borrowings of Spark Plug Limited (SPL), a company of which he was then a Director, was outstanding, and the dues of SPL were not cleared. Mr. Modi contested the matter and it was subjudice for a long period.

On the grounds of commercial expediency and after taking into account the interests of the company, the board after obtaining legal advice had approved payment of the aforesaid amount. The company has paid the amount to Mr. Modi after obtaining the sanction letter for the term loan from SBI and ensuring that such sum was actually paid by him to the bank.

The above payment has been included under the head "Capital Work in Progress" as a part of Borrowing Cost for the year ended March 31, 2008.

2.12 The company had entered into a production sharing contract (PSC) with the Ministry of Petroleum & Natural Gas (MoPNG) on 31st May, 2001 in relation to exploration and development of coal bed methane (CBM) gas in Raniganj, West Bengal. The company has also been granted a Petroleum Exploration License (PEL) by the Government of West Bengal on November 9, 2001 for the aforesaid purpose.

The terms of the PEL require the company to obtain a mining lease in place of the PEL prior to making any commercial sale. However, the Central Government vide its letter dated February 14, 2008 approved the Gas Price Formula of CBM paving way for its commercial sale. Along with the ongoing process of issuance of mining lease, the company has commenced commercial production and has deposited the royalty and production level payment (PLP) payable on such sale to the State Government and Central Government authorities respectively as required by the PSC and PEL.

The company has subsequently obtained the aforesaid mining lease from the West Bengal Government on September 4, 2008.

2.13 Contingent Liabilities:

(Rs. in Million)

Particulars	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
Claim made against the company not acknowledged as debt						
a) Adkins Services Inc. (Claim made by contractor against the company for loss of profit and damages including interest thereon) (Refer Note 2.14 of Schedule 16)	420.24	411.21	278.10	278.10	278.10	278.10
b) Government of India (MoPNG) (Claim made by ministry towards exchange rate difference and interest thereon) (Refer Note 2.16 of Schedule 16)	10.20	9.98	8.55	4.10	-	-
c) Income Tax Demand	0.25	0.25	-	0.12	0.12	-
d) M/s M.R Associates (for amounts claimed by contractor as payable along with interest.)	0.75	-	-	-	-	-
e) M/s D. S. Steel (for amounts claimed by contractor as payable along with interest)	7.36					

Future cash outflows in respect of the above are determinable on receipt of judgments / decisions pending with various forum / authorities.

2.14 Loans and advances as at March 31, 2004, 2005, 2006, 2007, 2008 and 30th June 2008 include Rs. 2.16 million recoverable from M/s Adkins Services Inc., (Adkins), a drilling contractor. The contract with Adkins was terminated by the company on the ground of non-performance and continued breach of contract. The company in addition to the above amount has made a claim of Rs. 198.05 million along with interest at a fixed rate for damages on account of delay in providing the services by the said contractor. The contractor has also filed a counter claim of Rs 278.10 million against the company for loss of profit, damages etc. which the company disputes. The contractor has also further claimed interest with retrospective effect at a fixed rate till the date of realization of its claim along with cost incurred on litigation. The company had

filed an application before Hon'ble High Court at Calcutta for the appointment of presiding arbitrator for the arbitral proceedings to be started. The Hon'ble High Court at Calcutta vide its order dated March 18, 2004 has appointed the presiding arbitrator.

Necessary adjustments, if any, will be made in the financial statements once the arbitration proceedings are complete.

2.15 The Company had given permission to its contractor, Dalma Energy LLC for changeover of rig (an equipment required for drilling wells) supplied by them based on certain terms and conditions agreed mutually. Such terms included compensation for changeover period payable to the Company and reduction in rate of future hire charges payable by the Company for the rig replaced. The Company had raised a claim of Rs 27.96 million against the contractor and treated hire charges paid for rig supplied by a third party amounting to Rs 9.67 million as amount recoverable from Dalma till March 31, 2005.

The contractor had continued to bill the workover charges at the old rates without considering any reduction in the rates, which was disputed by the Company and liability of Rs 35.92 million towards workover and drilling charges was not provided in the accounts till the year ended March 31, 2005.

During the year ended March 31, 2006, such dispute was settled by an agreed sum of Rs 3.5 million after adjustment of the recoverable amount of Rs 9.67 million. Necessary adjustments arising out of such settlement has been made in these financial statements in the respective years to which such dispute relates.

2.16 The company entered into an Exploration & Production Contract with Govt. of India [GOI], Ministry of Petroleum & Natural Gas in the year 2001, pursuant to which, a license was granted to the company to carry out CBM operations in the contract area. In terms of the said contract, the company was required to pay a signature bonus of US $ 0.3 Million to GOI and the amount of Rs. 10 million already paid by it to Coal India Limited was to be adjusted against such amount. Now, GOI, (Ministry of Petroleum & Natural Gas) on the basis of the exchange rate applicable on the date of the contract, has worked out the signature bonus as Rs. 14.1 million and claimed the balance amount of Rs. 4.1 million after adjusting the amount of Rs. 10 million, which has been opposed by the company. In the opinion of the management and based on legal advise obtained by them no further amount is payable in this regard as in their opinion the prevailing rate on the date of payment of such amount (Rs 10 million) and not the rate prevailing on the date of the contract was applicable.

This dispute has been referred to arbitration pursuant to the terms & conditions of the said contract. The arbitration proceedings have already been initiated.

Till the period ended June 30, 2008, GOI has claimed a sum of Rs.6.1 million towards interest for non payment of the amount initially claimed.

2.17 **Capital Commitment (net of advances)**

Rs. in Million)

Particulars	**As at June 30 2008**	**As at March 31 2008**	**As at March 31 2007**	**As at March 31 2006**	**As at March 31 2005**	**As at March 31 2004**
Purchase of land	7.66	4.59	2.57	2.26	-	0.09
Capital Assets	725.90	456.39	218.62	156.40	3.12	-
Total	**733.56**	**460.98**	**221.19**	**158.66**	**3.12**	**0.09**

2.18 Provision

Movement in Provision for Site Restoration

(Rs. in Million)

Particulars	As at June 30 2008	As at March 31 2008	As at March 31 2007	As at March 31 2006	As at March 31 2005	As at March 31 2004
Opening Balance as on April 1st	2.50	2.00	-	-	-	-
Provision made during the year	0.21	0.50	2.00	-	-	-
Amounts utilized/ reversed during the year	-	-	-	-	-	-
Closing balance at March 31st	**2.71**	**2.50**	**2.00**	-	-	-

Provision for site restoration represents the liability that is expected to materialize once production of gas from the wells cease and/or they are capped. Future cash outflow in respect of the above is determinable only on occurrence of uncertain future events.

2.19 Earning Per Share

	For the Quarter Ended June 30, 2008	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Year Ended March 31, 2006	For the Year Ended March 31, 2005	For the Year Ended March 31, 2004
Net Profit/(loss) after Tax attributable to Equity Shareholders (Rs. in million)	(44.34)	(108.40)	(20.99)	(81.77)	(0.40)	(1.48)
Basic Earning per share (Rs.)	(0.0814)	(0.1990)	(0.0385)	(0.1737)	(0.0012)	(0.0575)
Diluted Earning per share (Rs.)	(0.0814	(0.1990)	(0.0385)	(0.1737)	(0.0012)	(0.0575)
Weighted Average Number of Equity shares outstanding during the year for Basic EPS	544619499	544619499	544619499	470737675	343803354	25764377
Weighted Average Number of Equity shares outstanding during the year for Diluted EPS	544619499	544619499	544619499	472707801	367050574	27266606

Note:

i) As at June 30, 2008, the face value of equity share of the company is Re 1 per share fully paid up. The Board of Directors at its meeting held on 31st July, 2004 approved splitting of one equity share of Rs. 10 each into ten equity shares of Re. 1 each and the same was approved by the members at the annual general meeting held on September 30, 2004.

ii) The above calculations are done in accordance with the requirement of Accounting Standard (AS) 20 "Earning Per Share" issued by the Institute of Chartered Accountants of India.

2 Based on the principle of prudence, deferred tax assets arising at the end of the respective years has not been recognised in line with the requirement of AS 22 "Accounting for Taxes on Income'" issued by the Institute of Chartered Accountants of India.

2.20 The Company is solely engaged in exploration and production of Coal Bed Methane gas and has commenced commercial production. There are no other reportable segments as per Accounting Standard (AS) 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

2.22 RELATED PARTY DISCLOSURES

As per Accounting Standard – 18 issued by the Institute of Chartered Accountants of India, the Company's related

parties transactions are described below:

Related Party Disclosure-

Name of Related Parties and nature of relationships:

Quarter ended June 30, 2008

Relationship	Name of the Parties
Entities Controlled/Influenced by Related Parties	1. YKM Holdings International Ltd 2. YKM Holdings Pvt. Ltd 3. Bokel Investments Ltd. 4. CBM Investments Ltd. 5. Modi Telecommunications Ltd.
Shareholders having significant influence	CBM Investments Ltd.
Key Management Personnel	Mr. Y.K Modi (Chairman and CEO)
Relative of Key Management Personnel	Mr. Prashant Modi (President and COO)

Year ended March 31, 2008

Relationship	Name of the Parties
Entities Controlled/Influenced by Related Parties	1. YKM Holdings International Ltd 2. YKM Holdings Pvt. Ltd 3. Bokel Investments Ltd. 4. CBM Investments Ltd. 5. Modi Telecommunications Ltd. 6. Indian Purchase.com Infoware Ltd.
Shareholders having significant influence	CBM Investments Ltd.
Key Management Personnel	Mr. Y.K Modi (Chairman and CEO)
Relative of Key Management Personnel	Mr. Prashant Modi (President and COO)

Year Ended March 31, 2007

Relationship	Name of the Parties
Entities Controlled/Influenced by Related Parties	1. YKM Holdings International Ltd 2. YKM Holdings Pvt. Ltd 3. Bokel Investments Ltd. 4. CBM Investments Ltd. 5. Modi Telecommunications Ltd. 6. Indian Purchase.com Infoware Ltd.
Shareholders having significant influence	CBM Investments Ltd.
Key Management Personnel	1. Mr. Y.K Modi (Chairman and Managing Director) 2. Mr. Prashant Modi (Joint Managing Director) (Refer Note 1) 3. Mr. P K Roy (Director Operations) (Refer Note 2)
Relative of Key Management Personnel	Mr. Prashant Modi (President and COO)

Year Ended March 31, 2006

Relationship	Name of the Parties
Entities Controlled/Influenced by Related Parties	1. YKM Holdings International Ltd 2. YKM Holdings Pvt. Ltd

	3. Bokel Investments Ltd. 4. CBM Investments Ltd. 5. Modi Telecommunications Ltd. 6. Indian Purchase.com Infoware Ltd.
Shareholders having significant influence	CBM Investments Ltd.
Key Management Personnel	1. Mr. Y.K Modi (Chairman and Managing Director) 2. Mr. Prashant Modi (Joint Managing Director) 3. Mr. P K Roy (Director Operations)

Year Ended March 31, 2005

Relationship	Name of the Parties
Entities Controlled/Influenced by Related Parties	1. YKM Holdings Pvt. Ltd 2. Bokel Investments Ltd. 3. CBM Investments Ltd. 4. Modi Telecommunications Ltd. 5. Indian Purchase.com Infoware Ltd.
Shareholders having significant influence	3. CBM Investments Ltd. 4. YKM Holdings Pvt. Ltd
Key Management Personnel	1. Mr. Y.K Modi (Chairman and Managing Director) 2. Mr. Prashant Modi (Joint Managing Director) 3. Mr. P K Roy (Director Operations)

Year Ended March 31, 2004

Relationship	Name of the Parties
Entities Controlled/Influenced by Related Parties	1. YKM Holdings Pvt. Ltd 2. Bokel Investments Ltd. 3. CBM Investments Ltd. 4. Modi Telecommunications Ltd. 5. Indian Purchase.com Infoware Ltd.
Shareholders having significant influence	3. CBM Investments Ltd. 4. YKM Holdings Pvt. Ltd.
Shareholders excersing control	Mr. Y.K. Modi

Note:

1. Mr. Prashant Modi was Joint Managing Director of the Company from December 20, 2004 to July 31, 2006. Thereafter he was appointed as President and Chief Operating Officer.

2. Dr P.K. Roy was Director (Operations) from February 12, 2005 to August 17, 2006.

		Transactions for the period/year ended						Outstanding Balance as at					
Related Party	**Nature of transactions**	**June 30 2008**	**March 31 2008**	**March 31 2007**	**March 31 2006**	**March 31 2005**	**March 31 2004**	**June 30 2008**	**March 31 2008**	**March 31 2007**	**March 31 2006**	**March 31 2005**	**March 31 2004**
YKM Holdings Pvt Ltd	Expenses Recovered	-	0.01	0.01	2.48	-	0.12	1.95 Receivable	1.95 Receivable	1.18 Receivable	1.33 Receivable	17.56 Payable	0.04 Payable
	Payment For Services Rendered	0.05	0.19	1.04	0.61	-	-						
	Lease rental Paid	1.08	4.13	4.37	2.70	-	-						
	Security Deposit Paid	-	-	0.33	0.65	-	-						
	Expenses Paid	-	-	-	-	0.09	0.43						
	Share Application Money Received	-	-	-	-	20.61	-						
	Equity shares allotted against advance received	-	-	-	-	3.11	-						
Mr. Y.K Modi	Directors Remuneration	2.84	12.63	4.13	3.40	0.55	-	-	0.23 Payable	0.48 Payable	1.24 Payable	0.02 Payable	0.02 Payable
	Payment in relation to borrowing	-	28.90	-	-	-	-						
	Expenses paid	-	-	-	-	-	0.02						
Mr. Prashant Modi	Directors Remuneration	-	-	1.29	3.32	0.55	-	-	-	0.21 Payable	0.08 Payable	-	-
Dr. P.K Roy	Directors Remuneration	-	-	0.59	1.10	0.07	-	-	-	0.16 Payable	0.30 Payable	-	-
Mr. Prashant Modi	Remuneration Paid	1.44	4.10	0.07	-	-	-	-	0.21 Payable	0.01 Payable	-	-	-
Indian Purchase.Com Infoware Ltd.	Rent Received	-	0.05	0.07	0.05	0.07	0.07	-	0.06 Payable	-	0.02 Receivable	0.12 Receivable	0.05 Receivable
	Expenses Recovered	-	-	-	-	-	0.01						
	Expenses Paid	-	-	-	-	0.01	0.02						
	Payment For Services Rendered	-	0.13	0.13	-	-	-						
Bokel Investments Ltd.	Loan Taken	-	5.90	-	-	-	-	-	-	-	0.02 Receivable	0.64 Payable	0.01 Receivable
	Loan Repaid	-	5.90	-	-	-	-						
	Service Charges	-	-	-	-	4.65	4.80						
	Expenses Recovered	-	-	-	-	-	0.08						
	Expenses Paid	-	-	-	1.13	1.40	0.09						
	Interest Paid	-	0.02	-	-	-	-						
Modi Telecommunications Ltd.	Expenses Recovered	-	-	-	0.11	0.31	0.18	-	-	-	-	0.33 Receivable	0.01 Receivable
	Expenses Paid	-	-	-	0.11	-	0.09						
CBM Investments	Advance Share Application Money Received	-	-	-	-	55.87	86.08	-	-	-	-	19.96 Payable	13.41 Payable
	Equity shares allotted against advance received	-	-	-	-	49.33	72.67						

2.23 The figures disclosed in these financial statements are extracted from the audited statutory financial statements for the financial years ended March 31 2004, 2005, 2006, 2007, 2008 and audited financial statements for the quarter ended 30th June 2008 approved by the Board of Directors or any Committee thereof on July 31 ,2004, June 11 2005, May 26 2006, June 01 2007, May 27 2008 and October 01 2008 respectively which, however have been adjusted for audit qualifications, prior period items and change in accounting policy regarding creation of deferred revenue expenditure. Impact of such adjustments are as under:

- The opening balance as at April 01,2003 of capital work in progress has been reduced by Rs 51.44 million resulting in creation of Deferred Revenue Expenditure of an equal amount and further reduction of capital work in progress by Rs 12.58 million and increase of Deferred Revenue Expenditure by an equal amount to give effect to the years transaction. This adjustment has been made in the financial statements for the year 2003-04

- Adjustments relating to prior period items relating to service tax receivable and income tax expense have been made in the financial statements of the respective years to which they relate.
  Consequently

  a) Losses for the year 2007-08, 2005-06, 2004-05 and 2003-04 have been reduced by Rs 0.03 million, Rs 0.38 million, Rs 0.12 million and Rs 0.28 million respectively and loss for the year 2006-07 have been increased by Rs 0.52 million.

  b) Capital work in progress have been reduced by Rs 8.69 million and Rs 0.52 million for the years 2005-2006 and 2004-2005 respectively with corresponding increase in the balance of loans and advances in those respective years.

- Audit qualification given in the audit report for the years 2003- 2004, 2004- 2005, 2005- 2006 and 2006- 2007 relating to two disputes with contractors have been adjusted to the years to which they relate.
  Consequently

  a) Loss for the year 2007- 2008 has been decreased by Rs 2.16 million with corresponding adjustment in reserves and surplus as at April 01, 2003

  b) Capital work in progress and current liabilities have been increased by Rs 13.17 million and Rs 3.5 million in the years 2003- 2004 and 2004-2005 respectively with corresponding decrease of Rs 9.67 million in loans and advances for those respective years.

The above adjustments does not have any impact on the reserves and surplus position as at June 30,2008 compared to the audited financial statements for the period then ended.

2.24 Figures of previous years have been regrouped and rearranged wherever considered necessary.

On behalf of the Board

Yogendra Kr. Modi	Kashi Nath Memani
Chairman & Chief Executive Officer	Director

Place: Gurgaon, Hayana
Date: October 1, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations is derived from and should be read in conjunction with our restated financial statements as of and for the fiscal years ended March 31, 2004, 2005, 2006, 2007 and 2008 and for the three month period ended June 30, 2008, including the schedules, annexures and notes thereto and the reports thereon, beginning on page 111 of this Draft Red Herring Prospectus. These financial statements are based on our audited financial statements and are restated in accordance with paragraph B(1) of Part II of Schedule II of the Companies Act and the SEBI Guidelines. Our audited financial statements are prepared in accordance with Indian GAAP, which differs in certain material respects from International Financial Reporting Standards and U.S. GAAP.

For purposes of this discussion, references to "fiscal years" or "fiscal" are to the 12 month periods ended March 31, 2005, 2006, 2007 and 2008, as the case may be.

Our business is in an early stage of development, and we have only begun recognizing sales of natural gas during fiscal 2008. We expect to be continuing to expand the scope of our business for a number of years. As a result, it is unlikely that the financial statements included in this Draft Red Herring Prospectus will be representative of our financial condition, results of operations and cash flows in future periods.

The restated financial information for each of fiscal 2008, 2007, and 2006 and the three months ended June 30, 2008 has been presented in compliance with paragraph B(1) of Part II of Schedule II to the Companies Act and the relevant SEBI Guidelines. These adjustments are described in Annexure IV on page 117.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. For additional information regarding such risks and uncertainties, see "Forward-Looking Statements" and "Risk Factors" on pages ix and x, respectively.

Overview

We are a natural gas company based in India focused on the exploration, development, production, distribution and sale of natural gas from coal seams, commonly known as CBM. We produce CBM from our Block in Raniganj, West Bengal, which spans an aggregate area of 210 square kilometers and has an estimated 1.92 tcf of gas-in-place, with low, best and high estimates of contingent gas resources of 373.8, 1,356.5 and 1,778.1 mmcf, respectively and low, best and high estimates of prospective gas resources of 33,330.8, 88,754.4 and 238,972.4 mmcf, respectively, according to a report issued by NSAI on June 1, 2007.

In May 2001, the GoI made seven CBM blocks available through bidding and by nomination. We received our Block by nomination. We entered into a production sharing contract (the "PSC") with the MoPNG in May 2001, received our petroleum exploration licenses (the "PEL") from the West Bengal Government in September 2001 and executed the formal deed for our PEL in November 2001. Collectively, the PEL and the PSC give us the sole right to carry out CBM operations on our Block until 2036. Under the terms of the PSC, we have permission to exploit, develop and produce CBM on our Block for a period of 35 years. The first three years were designated as the pilot assessment phase in which we accessed geological data, drilled core holes and drilled three pilot wells. The next two years consisted of the market survey and commitment phase in which we engaged MECON to prepare a market feasibility report for our Block. Upon completion of the pilot assessment and market survey and commitment phases, and as per the terms of the PSC, we submitted a development plan to the DGH (the "Development Plan").

Our Development Plan includes drilling 100 wells, constructing up to five gas gathering stations and laying an underground MDPE pipeline connecting the wells to the gas gathering stations. Underground steel pipelines will connect our gas gathering stations to our central gas gathering station in Asansol, West Bengal from where we intend to deliver gas through pipelines and truck mounted cascades to industrial and other customers. As of November 30, 2008, we have completed 23 wells, with 13 additional wells in various stages of completion, and have commissioned one gas gathering station. Of the 13 wells in various stages of completion, fracturing is complete at nine wells and pumps have been installed at seven wells. We have laid 29.97 km of the MDPE pipeline which

connects 19 wells to the gas gathering station, and 11.34 km of the steel pipeline which will ultimately connect the gas gathering station to the central gathering station in Asansol. We have also laid 11.45 km of the steel pipeline which will connect the central gathering station to Kulti. After completing all of the 100 wells in our Development Plan, and subject to the approval of the DGH, we currently expect to continue drilling an additional 200 wells to fully develop our Block over the next eight years, as well as the construction of additional gas gathering stations and laying additional pipelines.

We are currently in the initial stages of marketing and selling a small amount of our natural gas directly to end users through truck mounted cascades. For the year ended March 31, 2008, we produced 3,595,101 Cm of CBM, and sold 213,693 Cm of CBM. We expect to complete the pipeline from our gas gathering station to our central gathering station in Asansol, West Bengal in December 2008. We plan to extend the pipeline by 57 kms from the central gas gathering station in Asansol to Durgapur and expect to finish by mid-2009, thereby expanding the market for our natural gas.

Factors Affecting Our Results of Operations

Our results of operations and financial condition are affected by a number of factors, including the following, which are of particular importance:

Accuracy of estimates of gas-in-place

Our results of operations will depend on the actual amount of gas-in-place in our Block. We believe our Block has development potential based on the technical analysis of resources prepared by NSAI in June 2007. See Appendix A beginning on page 321 of this Draft Red Herring Prospectus. However, these estimates reflect NSAI's best judgment of resources, not reserves, at the time of the analyses based on geological and geophysical analyses and appraisal work. Petroleum engineering is a subjective process of estimating underground accumulations of natural gas that cannot be measured in an exact manner. Estimates of the value and quantity of economically recoverable natural gas reserves and rates of production necessarily depend upon several variables and assumptions and may not prove to be accurate over time. In addition, the NSAI report is based on data available as of June 1, 2007, and we have drilled a significant number of wells since June 1, 2007. The data available from drilling these additional wells is not considered in the NSAI report. Any future report from NSAI or another independent consultant which includes this or any other additional data may lead to significantly different estimates of the CBM initially in place, reserves and resources. Our results of operations will be affected if the gas-in-place is lower than currently estimated.

Continued development of production and distribution infrastructure on a timely basis

Our continued development of production and distribution infrastructure on a timely basis will affect our results of operations. We are concurrently executing our Development Plan, which includes drilling 100 wells, constructing up to five gathering stations, laying underground pipeline and commercially producing CBM. As of November 30, 2008, we have completed 23 wells, with 13 additional wells in various stages of completion. After completing all of the 100 wells in our Development Plan, and subject to the approval of the DGH, we currently expect to continue drilling an additional 200 wells to fully develop our Block over the next eight years, as well as building additional gas gathering stations. We expect to complete the pipeline from our gas gathering station to our central gathering station in Asansol in December 2008, and we expect to extend the pipeline from the central gathering station in Asansol to Durgapur by mid-2009.

The completion dates for our wells, gathering stations and pipelines are estimates and are subject to delay as a result of, among other things, contractor performance shortfalls, unforeseen engineering problems, force majeure events, unanticipated cost increases and delays in obtaining property rights and government approvals, any of which could also give rise to cost overruns or the termination of a well's development.

In addition, during the past few years, there has been a shortage of equipment, supplies and services that we require, especially as the demand for gas services has risen. During these periods, the cost and delivery times of equipment, supplies and services are substantially greater. The availability and cost of equipment, supplies and services will affect our targeted completion dates, which might, in turn, affect our returns on capital and future earnings.

Market acceptance of our product

Our sales will be affected by our ability to develop the market for natural gas as an accepted alternative to other fuels in the region surrounding our Block, as well as the speed at which we are able to develop the market. Various factors will affect our ability to develop the market for natural gas, including the significant cost for consumers to switch from other fuel sources to natural gas and the limited supply of natural gas, as we are the only company currently carrying out commercial production of CBM in India.

Our ability to market natural gas to other areas outside of the area surrounding our Block will depend upon our ability to build our pipeline. Our marketability might also be affected by our ability to supply CBM to our customers, which depends on the progress of the construction of our pipeline and the proximity of our customers to pipelines, and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production and the shipping of natural gas. If the supply of CBM in India does not increase or demand for CBM as an alternative to conventional fuel does not develop in India, our results of operations will be adversely affected.

Price of natural gas

Our profitability is primarily determined by the difference between the price we receive for natural gas and the costs of finding, developing, producing and transporting natural gas. Our results of operations will therefore be affected by worldwide prices of natural gas. A decline in prices of natural gas could result in a reduction of net production revenue and profit margins. Natural gas is a commodity whose price is determined based on demand, supply and other factors, all of which are beyond our control. Prices for natural gas have fluctuated widely in recent years and there is no guarantee that regulations on pricing will not change in the future. Our wells may become uneconomic as a result of a decline in world natural gas prices.

Minimum royalty and production level payment obligations

Our royalty and production level payments are subject to payment based on a minimum price of $6.79/mmbtu at the well head.

Production volumes

Our production volumes, which depend on the yield from our Block and our ability to recover CBM from our Block at economically practicable levels, have a significant impact on our results of operations. The cost of completing and operating a well is often uncertain, and cost factors can adversely affect the economics of a well and future production volumes. Our drilling and production volume may be curtailed, delayed or cancelled as a result of various factors, including, among others, rising costs, shortages or delivery delays of drilling rigs, equipment, labour or other services; adverse weather conditions such as seasonal monsoons; facility or equipment malfunctions, failures or accidents; environmental compliance and hazards; inefficient spacing of wells; natural disasters, such as fires; and other unexpected operational events and drilling conditions.

In addition, as our existing reserves are exploited, we will need to continually add new reserves to maintain production volumes. A future increase in our reserves will depend on our ability to select and acquire suitable producing properties and prospects, our application for the rights and licenses needed to develop a block being approved by the authorities and our development activities.

Government regulation and policy

Indirect taxes or statutory levies such as cess and sales tax are levied on our products and are an important component of our total expenditure. Changes in cess and sales tax and other fiscal levies affect the cost of producing natural gas and therefore affect our operating results. Further, changes in government regulation and policies relating to the oil and gas industry in India may affect our operating results.

Tax holiday

We believe we are eligible for a seven year tax holiday as per section 80 (IB) of the Income Tax Act, 1961, and as per the PSC, provided it is judicially accepted in India that CBM will be among those resources deemed to be

"mineral oil" for purposes of a seven year tax holiday available to producers of mineral oil. If CBM is deemed not to be among these resources and we are not able to benefit from the seven year tax exemption provided under Section 80(IB) of the Income Tax Act, 1961, our results of operations will be adversely affected.

Interest rate fluctuation

We have incurred substantial floating interest rate debt. As of June 30, 2008, our Company had floating interest rate borrowings of Rs. 969.81 million. As a result, changes in prevailing interest rates could materially affect our financial position. To the extent that market interest rates rise significantly during our development phase, this will adversely affect returns on capital employed, reduce the amount available for borrowing under the floating interest rate facility and increase our ultimate debt service costs.

Critical Accounting Policies

We have identified certain accounting policies and estimates that are critical to the preparation of our financial statements. Our critical accounting policies and key sources of estimation, which are important for an understanding of our financial condition and results of operation, are set forth in detail in Annexure IV to our restated financial statements included in this Draft Red Herring Prospectus. Some of our accounting policies involve subjective assumptions and estimates. In each case, the determination of these items requires management judgments based on information and financial data that may change in future periods.

We believe the following critical accounting policies involve the most significant estimates and judgments used in the preparation of our financial statements:

Accounting for exploration and production activities

We follow the full cost method of accounting for producing gas properties as set out in the guidance note issued by the Institute of Chartered Accountants of India on "Accounting for Oil and Gas Producing Activities".

Expenses incurred for developing and constructing wells, which include direct expenses, apportionment of common indirect expenses, and depreciation on project assets, are capitalized and included under capital work in progress on a well by well basis.

Producing properties are created and included under fixed assets by transferring their related costs from capital work in progress once a well is ready to commence commercial production and it has proven reserves.

Depletion

The costs of wells capitalized are depleted according to the "unit of production" method as prescribed by the Institute of Chartered Accountants of India in the guidance note on "Accounting for Oil and Gas Producing Activities". Applying this method results in oil and gas assets being written off at the same rate as the quantitative depletion of the related reserve. Depletion charges for a period are calculated considering the cost of a capitalized well increased by estimated future expenditure to be incurred in developing the proved gas reserves, the estimated proven reserves and the actual production for the period. Estimates regarding proved reserves, which are highly subjective and may have a significant effect on the total depletion charge with respect to producing properties.

Impairment

Cash generating units and assets are assessed for possible impairment on the balance sheet date based on external and internal sources of information. Impairment losses, if any, are recognized as an expense in the profit and loss account.

An impairment loss is recognized when the carrying value of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discounting rate. After impairment, depreciation and depletion is provided in subsequent periods on the revised carrying amount of the assets over their remaining useful life.

Identifying and measuring impairment is a highly subjective process and requires critical judgments and assumptions regarding, among other things, gas prices, development and operational cost escalation, reserve estimates, the timing of cash flows related to production and significant costs and the appropriate discount rate with which to measure any impairment charge.

Changes in Accounting Policy

We have described below certain changes in accounting policies in relation to the preparation of our restated financial statements.

Foreign exchange loss/gain

Foreign exchange loss/gain was adjusted with carrying cost of assets/capital work in progress in earlier years. As a result of a revision in Accounting Standard 11 issued by the Institute of Chartered Accountants of India in fiscal 2008, foreign exchange loss/gain is charged/credited to revenue in the respective years.

Deferred revenue and preliminary expenditure

Deferred revenue and preliminary expenditure of Rs. 79.13 million was charged to revenue in fiscal 2006. In accordance with the SEBI Guidelines, our restated financial accounts reverse such charge and the deferred revenue and preliminary expenditure was charged in prior years in which the expenditure actually occurred. Out of the Rs. 79.13 million, Rs. 14.34 million pertains to fiscal 2005, Rs. 13.08 million pertains to fiscal 2004 and the balance, Rs. 51.71 million pertains to periods prior to fiscal 2004.

Our Results of Operations

The following table sets forth selected financial data from our restated profit and loss accounts, the components of which are also expressed as a percentage of total income for the periods indicated.

Particulars	For the financial year ended March 31, 2005		For the financial year ended March 31, 2006		For the financial year ended March 31, 2007		For the financial year ended March 31, 2008		For the three months Ended June 30, 2008	
	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income
I. Income										
Sales	-	-	-	-	-	-	4.94	22.62	8.48	83.22
Other Income	0.09	100.00	49.41	100.00	59.15	100.00	16.90	77.38	1.71	16.78
Total Income	**0.09**	**100.00**	**49.41**	**100.00**	**59.15**	**100.00**	**21.84**	**100.00**	**10.19**	**100.00**
II. Expenditure:										
Manufacturing and Other Expenses	0.46	511.11	48.31	97.77	72.34	122.30	117.42	537.64	46.39	455.25
Provision for Site Restoration	-	-	-	-	2.00	3.38	0.50	2.29	0.21	2.06
Deferred Revenue Expenditure	-	-	79.13	160.15	-	-	-	-	-	-
Depreciation/Amortization	0.15	166.67	1.71	3.46	3.86	6.53	11.65	53.34	7.18	70.46
Prior Period Adjustment	-	-	-	-	(0.52)	(0.88)	-	-	-	-
Total Expenditure	**0.61**	**677.78**	**129.15**	**261.38**	**77.68**	**(131.33)**	**129.57**	**593.27**	**53.78**	**527.77**
III. Profit/ (Loss) Before Tax	**(0.52)**	**(577.78)**	**(79.74)**	**(161.38)**	**(18.53)**	**(31.33)**	**(107.73)**	**(493.27)**	**(43.59)**	**(427.77)**
Tax Expense										
Current Tax	-	-	-	-	-	-	-	-	-	-
Prior Period Tax	-	-	-	-	-	-	0.03	0.14	-	-

Particulars	For the financial year ended March 31, 2005		For the financial year ended March 31, 2006		For the financial year ended March 31, 2007		For the financial year ended March 31, 2008		For the three months Ended June 30, 2008	
	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income
Fringe Benefit Tax	-	-	2.41	4.88	1.94	3.28	2.83	12.96	0.75	7.36
IV. Profit/ (Loss) After Taxation as per audited statement of accounts - (A)	**(0.52)**	**(577.78)**	**(82.15)**	**(166.26)**	**(20.47)**	**(34.61)**	**(110.59)**	**(506.36)**	**(44.34)**	**(435.13)**
Adjustments on account of:										
Change in Accounting Policy	(15.14)	(16,822.22)	79.13	160.15	0.09	0.15	-	-	-	-
Audit Qualification							2.16	9.89	-	-
Material Adjustments and Prior Period Items	0.11	122.22	0.38	0.77	(0.52)	(0.88)	0.03	0.14	-	-
Total Adjustments	**(15.03)**	**(16,700.00)**	**79.51**	**160.92**	**(0.43)**	**(0.73)**	**2.19**	**10.03**	**-**	**-**
Tax Impact on adjustments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Total Adjustments Net of Tax Impact- (B)	**(15.03)**	**(16,700.00)**	**79.51**	**160.92**	**(0.43)**	**(0.73)**	**2.19**	**10.03**	**-**	**-**
V. Net Profit/(Loss) as Restated (A+B)	**(15.55)**	**(17,277.78)**	**(2.64)**	**(5.34)**	**(20.90)**	**(35.33)**	**(108.40)**	**(496.34)**	**(44.34)**	**(435.13)**

Total income. Our total income consists of sales and other income. Historically, the principal component of our total income has been from other income, as we commenced sales of CBM in fiscal 2008. Our total income for the years ended March 31, 2005, 2006, 2007 and 2008 was Rs. 0.09 million, Rs. 49.41 million, Rs. 59.15 million and Rs. 21.84 million, respectively. For the three month period ended June 30, 2008, our total income was Rs. 10.19 million.

Sales. Our sales income is revenue from the sale of CBM. Sales are presented as net of the invoiced value of goods supplied less excise duty and sales tax.

Other income. Other income primarily includes interest on fixed deposits, rent and miscellaneous income.

Total expenditure. Our total expenditure consists of manufacturing and other expenses, provisions for site restoration and depreciation and amortization.

Manufacturing and other expenses. Manufacturing and other expenses primarily includes, among others:

- stores and spares consumed,
- salaries, wages and bonuses,
- rent,
- traveling and conveyance, and
- consultants fees.

Please refer to our Financial Statements for a full list of the components of our manufacturing and other expenses.

Our manufacturing and other expenses accounted for 511.11 percent, 97.77 percent, 122.30 percent, 537.64 percent and 455.25 percent of our total income for the years ended March 31, 2005, 2006, 2007 and 2008, and for the three month period ended June 30, 2008, respectively.

Provision for site restoration. Our provision for site restoration represents the liability for costs expected to be incurred in restoring our well sites back to their original condition once our license period expires, or once production of gas ceases at that well. Our provision for site restoration accounted for 3.38 percent, 2.29 percent and 2.06 percent of our total income for the years ended March 31, 2007 and 2008, and for the three month period ended June 30, 2008, respectively.

Depreciation and amortization. Our depreciation and amortization expenses primarily include depreciation of our capitalized wells and other fixed assets. Depreciation and amortization accounted for 166.67 percent, 3.46 percent, 6.53 percent, 53.34 percent and 70.46 percent of our total income for the years ended March 31, 2005, 2006, 2007 and 2008, and for the three month period ended June 30, 2008, respectively. In line with the growth of our operations, we expect our depreciation and amortization expenditure to increase, reflecting additional investments such as buying or leasing of new equipment, setting up of other infrastructure facilities and the capitalization of new wells.

Taxation. We provide for current and deferred taxes on income and fringe benefit tax. Tax on income for the period is determined on the basis of estimated taxable income and tax credit or exemption, if any, and computed in accordance with the provisions of applicable law. Deferred tax is recognized, subject to prudence, on timing differences between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized unless there is reasonable certainty, and, in the case of brought forward loss and unabsorbed depreciation, there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

For a summary of tax benefits available to us, see "Statement of Tax Benefits" beginning on page 42 of this Draft Red Herring Prospectus.

Three months ended June 30, 2008

Our results of operations for the three month period ended June 30, 2008 were particularly affected by the capitalization of six wells.

Total income. Our total income was Rs. 10.19 million for the three month period ended June 30, 2008.

Sales. Our sales revenue was Rs. 8.48 million for the three month period ended June 30, 2008, primarily due to revenue derived from sales of CBM.

*Other income***.** Our other income was Rs. 1.71 million for the three month period ended June 30, 2008, primarily from miscellaneous income derived from interest on refunds received on income tax.

Total expenditure. Our total expenditure was Rs. 53.78 million for the three month period ended June 30, 2008.

*Manufacturing and other expenses***.** Our manufacturing and other expenses were Rs. 46.39 million for the three month period ended June 30, 2008, the largest of which were stores and spares consumed, salaries, wages and bonuses, fees paid to consultants and traveling and conveyance.

Provision for site restoration. Our provision for site restoration was Rs. 0.21 million for the three month period ended June 30, 2008.

Depreciation and amortization. Our depreciation and amortization expenses were Rs. 7.18 million for the three month period ended June 30, 2008, primarily due to capitalization of six wells during the period and depreciation of other fixed assets.

Profit/ loss before tax. Our loss before tax was Rs. 43.59 million for the three month period ended June 30, 2008.

Provision for tax. There was a provision for fringe benefit tax amounting to Rs. 0.75 million for the three month period ended June 30, 2008.

Net profit/loss, as restated. Our net loss as restated was Rs. 44.34 million for the three month period ended June 30, 2008.

Fiscal 2008 Compared to Fiscal 2007

Our results of operations for fiscal 2008 were particularly affected by the following factors:

- we commenced sales of natural gas;
- we capitalized nine wells; and
- we increased the number of our employees.

Total income. Our total income decreased by 63.08 percent to Rs. 21.84 million in fiscal 2008 from Rs. 59.15 million in fiscal 2007, primarily due to a decrease in other income to Rs. 16.90 million.

Sales. We commenced sales of CBM in August 2007 and recognized Rs. 4.94 million in sales revenue in fiscal 2008, compared to Rs. Nil in fiscal 2007.

Other income. Our other income decreased by 71.43 percent to Rs. 16.90 million in fiscal 2008 from Rs 59.15 million in fiscal 2007, primarily due to a decrease in interest on fixed deposits to Rs. 15.10 million in fiscal 2008 from Rs. 59.05 million in fiscal 2007.

Total expenditure. Our total expenditure increased by 66.80 percent to Rs. 129.57 million in fiscal 2008 from Rs. 77.68 million in fiscal 2007, primarily due to an increase in manufacturing and other expenses.

*Manufacturing and other expenses***.** Our manufacturing and other expenses increased by 62.32 percent to Rs. 117.42 million in fiscal 2008 from Rs. 72.34 million in fiscal 2007, primarily due to increases in salaries, wages, and bonuses resulting from an increase in headcount and an increase in salaries paid to our senior management, increases in fees paid to consultants resulting from an increase in the number of consultants we worked with and increases in international and domestic travel by our employees.

Provision for site restoration. Our provision for site restoration decreased to Rs. 0.50 million in fiscal 2008 from Rs. 2.00 million in fiscal 2007, primarily because we made provision for five wells during the period compared to provision for 30 wells, including seven core holes, during fiscal 2007.

Depreciation and amortization. Our depreciation and amortization expenses increased to Rs. 11.65 million in fiscal 2008 from Rs. 3.86 million in fiscal 2007, primarily due to the capitalization of nine wells and depreciation of project related assets such as cascades and compressors.

Profit/loss before tax: Our loss before tax increased to Rs. 107.73 million in fiscal 2008 from Rs. 18.53 million in fiscal 2007.

Provision for tax: There was an increase in the provision for fringe benefit tax by 45.88 percent to Rs. 2.83 million in fiscal 2008 from Rs. 1.94 million in fiscal 2007 due to an increase in fringe benefits tax paid on increased employee travel and other employee benefits.

*Net profit/loss, as restated***.** Our net loss as restated increased to Rs. 108.40 million in fiscal 2008 from Rs. 20.90 million in fiscal 2007.

Fiscal 2007 Compared to Fiscal 2006

Our results of operations for fiscal 2007 were particularly affected by the following factors:

- we increased the number of our employees; and
- we had higher depreciation charges because we implemented our enterprise resource planning system.

Total income. Our total income increased by 19.71 percent to Rs. 59.15 million in fiscal 2007 from Rs. 49.41 million in fiscal 2006.

Sales. We did not commence sales of CBM until fiscal 2008; therefore, we had Rs. Nil of sales revenue in fiscal 2007 and fiscal 2006.

Other income. Our other income increased by 19.71 percent to Rs. 59.15 million in fiscal 2007 from Rs 49.41 million in fiscal 2006, primarily due to an increase in interest on fixed deposits to Rs. 59.05 million in fiscal 2007 from Rs. 40.63 million in fiscal 2006.

Total expenditure. Our total expenditure decreased by 39.85 percent to Rs. 77.68 million in fiscal 2007 from Rs. 129.15 million in fiscal 2006.

*Manufacturing and other expenses***.** Our manufacturing and other expenses increased by 49.74 percent to Rs. 72.34 million in fiscal 2007 from Rs. 48.31 million in fiscal 2006, primarily due to increases in salaries, wages, and bonuses resulting from an increase in headcount and an increase in the remuneration of our senior management, increases in fees paid to consultants resulting from an increase in the number of consultants we worked with, increases in international and domestic travel by our employees and expenses incurred in bidding for additional CBM blocks.

Provision for site restoration. Our provision for site restoration was Rs. 2.00 million for fiscal 2007 primarily due to provision made for the restoration of well sites on which 30 wells, including seven core holes, were drilled. While we drilled wells in 2006 and earlier periods, we did not begin making a provision for site restoration until fiscal 2007.

Depreciation and amortization. Our depreciation and amortization expenses increased to Rs. 3.86 million in fiscal 2007 from Rs. 1.71 million in fiscal 2006, primarily due to depreciation and amortization of fixed assets other than wells.

Prior period adjustments. Our prior period adjustments for fiscal 2007 were Rs. 0.52 million, due to service tax credits taken for expenses related to earlier fiscal periods which were charged to our profit and loss account in those earlier fiscal periods.

Profit/loss before tax: Our loss before tax decreased by 76.76 percent to Rs. 18.53 million in fiscal 2007 from Rs. 79.74 million in fiscal 2006.

Provision for tax: There was a decrease in the provision for fringe benefit tax by 19.50 percent to Rs. 1.94 million in fiscal 2007 from Rs. 2.41 million in fiscal 2006 due to a decrease in taxable expenses for business travel and staff welfare.

*Net profit/loss, as restated***.** Our net loss as restated increased by 691.67 percent to Rs. 20.90 million in fiscal 2007 from Rs. 2.64 million in fiscal 2006.

Fiscal 2006 Compared to Fiscal 2005

Our results of operations for fiscal 2006 were particularly affected by the following factors:

- an increase in interest income earned on our fixed deposits; and
- we received a cash settlement of Rs. 8.71 million from Energy Ventures LLC for their non-performance of a contract.

Total income. Our total income increased to Rs. 49.41 million in fiscal 2006 from Rs. 0.09 million in fiscal 2005.

Sales. We did not commence sales of CBM until fiscal 2008; therefore, we had Rs. Nil of sales revenue in fiscal 2006 and fiscal 2005.

Other income. Our other income increased to Rs. 49.41 million in fiscal 2006 from Rs 0.09 million in fiscal 2005, primarily due to interest on fixed deposits of Rs. 40.63 million in fiscal 2006, compared to Rs. Nil of interest on fixed deposits in fiscal 2005. Interest on fixed deposits in fiscal 2006 was earned on the proceeds from our GDR issue carried out in fiscal 2005.

Total expenditure. Our total expenditure increased to Rs. 129.15 million in fiscal 2006 from Rs. 0.61 million in fiscal 2005.

*Manufacturing and other expenses***.** Our manufacturing and other expenses increased to Rs. 48.31 million in fiscal 2006 from Rs. 0.46 million in fiscal 2005, primarily due to increases in salaries, wages, and bonuses resulting from an increase in headcount and an increase in remuneration of our senior management, increases in fees paid to consultants resulting from an increase in the number of consultants we worked with, increases in international and domestic travel by our employees and increases in rent.

Provision for site restoration. No provision was made for wells drilled in any period prior to fiscal 2007.

Deferred revenue expenditure. Our deferred revenue expenditure expenses increased to Rs. 79.13 million in fiscal 2006 from Rs. Nil in fiscal 2005. Prior to fiscal 2006, these charges were carried forward as deferred revenue expenditure and were to be amortized in the year in which commercial production commenced.

Depreciation and amortization. Our depreciation and amortization expenses increased to Rs. 1.71 million in fiscal 2006 from Rs. 0.15 million in fiscal 2005, primarily due to depreciation of buildings, vehicles and computers.

Profit/loss before tax: Our loss before tax increased to Rs. 79.74 million in fiscal 2006 from Rs. 0.52 million in fiscal 2005. This increase was a direct result of an increase of Rs. 79.13 million in deferred revenue expenditure.

Provision for tax: Our provision for fringe benefit tax was Rs. 2.41 million in fiscal 2006. The fringe benefit tax did not exist in India prior to fiscal 2006.

*Net profit/loss, as restated***.** Our net loss as restated decreased by 83.02 percent to Rs. 2.64 million in fiscal 2006 from Rs. 15.55 million in fiscal 2005.

Financial Condition, Liquidity and Capital Resources

We have historically financed our capital requirements and working capital requirements primarily through financing from banks and other financial companies in the form of term loans and sales of equity, including GDRs. We believe that we will have sufficient resources from our operations, net proceeds of this Issue and other offerings of securities and other financings from banks and financial companies to meet our capital requirements for at least the next 12 months.

Cash Flows

The table below summarizes our cash flows for the periods indicated:

	For the year ended March 31, 2005	For the year ended March 31, 2006	For the year ended March 31, 2007	For the year ended March 31, 2008	For the three month period ended June 30, 2008
	(Rs. in Millions)	(Rs. in Millions)	(Rs. in Millions)	(Rs. in Millions)	(Rs. in Millions)
Net cash (used in)/generated from operating activities	(4.44)	(10.01)	(166.41)	(130.44)	(23.84)
Net cash from (used in) investing activities	(96.18)	(296.21)	(616.70)	(881.19)	(224.18)
Net cash generated from financing activities	99.25	1,567.80	-	653.94	191.62
Net (decrease) / increase in cash and cash equivalents as of the end of the fiscal period	(1.37)	1,261.58	(783.11)	(357.69)	(56.40)

As of June 30, 2008, we had cash and cash equivalents of Rs. 64.46 million. This represents cash and bank balances with banks in India. We do not have cash and bank balances outside India. Cash in the form of bank deposits, current account deposits, margin money and cash on hand constitute our cash and cash equivalents.

Operating Activities

Net cash used in our operating activities for the three month period ended June 30, 2008 was Rs. 23.84 million and consisted of net loss before tax of Rs. 43.59 million, as adjusted for an increase in trade payables of Rs. 37.68 million (which consisted of an increase in creditors supplying goods and services of Rs. 28.86 million, an increase in advances received from customers of Rs. 0.18 million, an increase in provisions for employee benefits of Rs. 0.48 million and an increase in other liabilities such as security deposits payable and taxes payable of Rs. 8.16 million) and depreciation and amortization of Rs. 7.18 million, a decrease in inventories of Rs. 6.12 million, an unrealized foreign exchange loss of Rs. 1.10 million, a Rs. 0.21 million provision for site restoration costs and interest expenses (net) of Rs. 0.03 million, which were partly offset by negative adjustments for an increase in trade and other receivables of Rs. 32.09 million (which consisted of an increase in advances for supply of materials and services of Rs.45.09 million, a decrease in advance tax (net of provisions) of Rs.13.48 million, an increase in interest accrued on fixed deposits of Rs. 0.14 million and an increase in sundry deposits of Rs. 0.34 million) and fringe benefit tax paid of Rs. 0.48 million.

Net cash used in our operating activities in fiscal 2008 was Rs. 130.44 million and consisted of a net loss before tax of Rs. 105.57 million, as adjusted for an increase in trade payables of Rs. 32.90 million (due to an increase in creditors for supply of goods and services of Rs. 17.63 million, an increase in advances received from customers of Rs. 0.16 million, an increase in provisions for employee benefits of Rs. 5.33 million and an increase in other liabilities such as security deposits payable and taxes payable of Rs. 9.78 million) and depreciation and amortization of Rs. 11.65 million, a net loss on the sale of fixed assets of Rs. 4.50 million, damaged stock written off of Rs. 0.54 million and a Rs. 0.50 million provision for site restoration costs, which was partly offset by negative adjustments for an increase in inventory of Rs. 37.67 million, an increase in trade and other receivables of Rs. 17.41 million (due to an increase in advances for supply of materials and services of Rs.16.39 million, increase in advance tax (net of provisions) of Rs. 3.31 million, a decrease in interest accrued on fixed deposits of Rs. 2.29 million) and net interest income of Rs. 15.08 million principally from interest on fixed deposits, fringe benefit tax paid of Rs. 2.94 million, liability written back of Rs. 1.52 million, an unrealized foreign exchange gain of Rs. 0.31 million and direct taxes paid of Rs. 0.03 million.

Net cash used in our operating activities in fiscal 2007 was Rs. 166.41 million and consisted of a net loss before tax of Rs. 18.96 million, as adjusted for depreciation and amortization of Rs. 3.86 million, an increase in trade payables of Rs. 1.85 million (due to an increase in creditors for supply of goods and services of Rs. 6.06 million, an increase in provisions for employee benefits of Rs. 1.14 million and a decrease in other liabilities such as security deposits payable and taxes payable of Rs. 5.35 million) and damaged stock written off of Rs. 1.01 million, and a Rs. 2.00 million provision for site restoration costs, which was partially offset by negative adjustments for an increase in trade and other receivables of Rs. 60.79 million (due to an increase in advances for the supply of materials and services of Rs. 47.39 million, an increase in advance tax (net of provisions) of Rs. 13.25 million, a decrease in interest accrued on fixed deposits of Rs. 1.04 million and an increase in sundry deposits of Rs. 1.19 million) and net interest income of Rs. 59.05 million principally from interest on fixed deposits, an increase in inventory of Rs. 34.17 million due to an increase in project activities, fringe benefit tax paid of Rs. 2.08 million and an unrealized foreign exchange gain of Rs. 0.08 million.

Net cash used in our operating activities in fiscal 2006 was Rs. 10.01 million and consisted of a net loss before tax of Rs. 0.23 million, as adjusted for an increase in trade payables of Rs. 69.46 million (due to an increase in creditors for supply of goods and services of Rs. 60.41 million, an increase in provision for employee benefits of Rs. 0.70 million and an increase in other liabilities such as security deposits payable and taxes payable of Rs. 8.35 million) and depreciation and amortization of Rs. 1.71 million and a loss on sale of assets Rs. 0.01 million and damaged stock written off of Rs. 0.17 million, which was partially offset by negative adjustments for net interest income of Rs. 40.62 million principally from interest on fixed deposits, an increase in inventories of Rs. 14.17 million due to an increase in project activities, an increase in trade receivables of Rs. 19.98 million (due to an increase in advances for supply of materials and services of Rs. 2.89 million, an increase in advance tax (net of provisions) of Rs. 13.71 million, an increase in interest accrued on fixed deposits of Rs. 3.55 million, and a decrease in sundry deposits of Rs.

0.17 million) and direct taxes paid of Rs. 4.60 million, fringe benefit tax paid of Rs. 1.71 million and an unrealized foreign exchange gain of Rs. 0.05 million.

Investing Activities

Net cash used in investing activities for the three month period ended June 30, 2008 was Rs. 224.18 million, primarily due to an increase in capital work in progress of Rs. 183.72 million toward the drilling of four wells, construction of a gas gathering station and the laying of pipelines, and the purchase of fixed assets such as computer software, land, pipeline and CNG station parts, a car dispenser, a gas measuring system, gas based gensets, a hydraulic crane, and an air drilling unit amounting to Rs. 41.35 million, which was partly offset by cash received from interest income of Rs. 0.89 million.

Net cash used in investing activities in fiscal 2008 was Rs. 881.19 million, primarily due to an increase in capital work in progress of Rs. 710.75 million toward the drilling of four wells, construction of one gas gathering station and the laying of pipelines, and the purchase of fixed assets, such as computer software, land, pipeline and CNG station parts, a pressure reducing skid, cascades, a car dispenser, gas based gensets, a drilling rig, compressors, cranes, a forklift, automobiles and furniture and other fixtures amounting to Rs. 187.47 million, which was partly offset by cash received from interest income of Rs. 16.05 million and the sale of fixed assets of Rs. 0.98 million.

Net cash used in investing activities in fiscal 2007 was Rs. 616.70 million, primarily due to an increase in capital work in progress of Rs. 658.60 million toward the drilling of 14 wells and the purchase of fixed assets such as computer software, land and various equipment amounting to Rs. 17.15 million, which was partly offset by cash received from interest income of Rs. 59.05 million.

Net cash used in investing activities in fiscal 2006 was Rs. 296.21 million, primarily due to an increase in capital work in progress of Rs. 291.56 million toward the drilling of six wells and the purchase of fixed assets such as land, buildings, automobiles, a workover rig and other project machinery amounting to Rs. 45.27 million, which was partly offset by cash received from interest income of Rs. 40.62 million.

Financing Activities

Net cash generated from financing activities for the three month period ended June 30, 2008 was Rs. 191.62 million, primarily from long term borrowings of Rs. 214.71 million, which was partially offset by borrowing costs (including interest) of Rs. 23.09 million.

Net cash generated from financing activities in fiscal 2008 was Rs. 653.94 million, primarily from long borrowings of Rs. 1,002.96 million, which were partially offset by the repayment of long term borrowings of Rs. 257.00 million and borrowing costs (including interest) of Rs. 92.02 million.

We did not generate any cash from financing activities in fiscal 2007.

Net cash generated from financing activities in fiscal 2006 was Rs. 1,567.80 million, primarily from the proceeds of our GDR issue of Rs. 1,573.18 million, which was partially offset by the repayment of short term borrowings of Rs. 4.90 million and borrowing costs (including interest) of Rs. 0.48 million.

Capitalization of Well Assets and Expenses

When we complete a well (which for accounting purposes means when the well becomes capable of commercial production, including through connection to the necessary distribution infrastructure), we transfer the value of the relevant assets and capitalized expenses to fixed assets on our balance sheet as producing properties. At that point, we begin to recognize sales of natural gas from the well, and depreciation expense for the well's assets and capitalized expenses. Prior to this time, we record the asset value and capitalized expenses in our capital work in progress account. We do not recognize any depreciation expense in connection with capital work in progress prior to the transfer of amounts to fixed assets.

Capital Expenditures

Capital expenditures incurred in any year by us comprises additions to fixed assets (excluding additions to producing properties) and capital work in progress, adjusted for the movement during the year in the opening and closing balance of equipment used for exploration.

For the three month period ended June 30, 2008 and fiscal 2008 and 2007, we incurred Rs. 229.08 million, Rs. 908.38 million and Rs. 672.11 million, respectively, on capital expenditures. Capital expenditures for the three month period ended June 30, 2008 consisted primarily of the cost of equipment capitalized, such as, among others, cascades, and hydraulic cranes included in gross block and also the incremental cost of four wells drilled during the period the cost of which is included in capital work in progress at the end of the period. Capital expenditures for fiscal 2008 primarily consisted of the cost of rig capitalized, the cost of four wells drilled and costs incurred for the gas gathering station and the central gathering station. Such expenditure for fiscal 2007 primarily consisted of the cost of 14 wells drilled, the cost of implementation of systems applications and products software and the cost of casing pipes purchased. We expect to meet our capital expenditure needs in fiscal 2009 and fiscal 2010 from cash generated from operating activities, long term borrowings and the net proceeds of the Issue. See "Objects of the Issue" on page 33 of this Draft Red Herring Prospectus.

Indebtedness

Our total borrowings, which consist mainly of term loans from banks and another financial company, have increased from Rs. 751.91 million as of March 31, 2008 to Rs. 969.81 million as of June 30, 2008. The increased borrowings reflect funds for increased capital expenditure to carry out our development and production phases.

The following table summarizes our secured and unsecured long-term indebtedness and subordinated debt obligations as of the dates indicated:

Secured Loans	**As of March 31, 2005**	**As of March 31, 2006**	**As of March 31, 2007**	**As of March 31, 2008**	**As of June 30, 2008**
Term loans					
Long term loan					
From banks*	**-**	**-**	**-**	601.87	778.24
From others*	**-**	**-**	**-**	150.04	191.57
Short term loan	**-**	**-**	**-**	-	**-**
From financial companies	**-**	**-**	**-**	-	**-**
Total				**751.91**	**969.81**

Unsecured Loans	**As of March 31, 2005**	**As of March 31, 2006**	**As of March 31, 2007**	**As of March 31, 2008**	**As of June 30, 2008**
From banks	**-**	**-**	**-**	**-**	**-**
From others*	5.38	**-**	**-**	**-**	**-**
		-	**-**	**-**	**-**
Total	**5.38**	**-**	**-**	**-**	**-**

* Includes interest accrued and due.

For details, see the section titled "Financial Indebtedness" beginning on page 183 of this Draft Red Herring Prospectus.

Contractual Obligations and Commercial Commitments

Our purchase and other obligations include our capital expenditure obligations and other obligations and commitments, including for the purchase of land and capital assets. We define a purchase obligation as an arrangement to purchase goods or services that is enforceable and legally binding on us.

The following table summarizes our contractual obligations and commercial commitments as of June 30, 2008 and the effect such obligations and commitments are expected to have on our liquidity and cash flows in future periods.

Contractual Obligations	As of June 30, 2008	Less than 1 year	1-5 years	More than 5 years
				(Rs. in millions)
Purchase of land	7.66	7.66	0	0
Capital assets	725.90	725.90	0	0
Total	**733.56**	**733.56**	**0**	**0**

Contingent Liabilities

As of June 30, 2008, our contingent liabilities were Rs. 438.80 million, which primarily included claims from contractors (along with interest thereon), amounting to Rs. 428.35 million and a claim made by the MoPNG toward exchange rate difference and interest thereon amounting to Rs. 10.20 million.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including our affiliates and certain key management members on an arm's length basis. Such transactions could be for provision of services, lease of assets or property (including intellectual property), sale or purchase of equity shares or could entail incurrence of indebtedness. For details of our related party transactions, see Annexure X of our restated financial statements beginning on page 127 of this Draft Red Herring Prospectus.

Seasonality

Our results of operations have not, and are not expected to, generally exhibit seasonality.

Impact of Inflation

Although India has experienced an increase in inflation rates in recent years, inflation has not had a material impact on our business and results of operations.

Off- Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet transactions.

Qualitative and Quantitative Disclosures about Market Risks

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk, foreign currency exchange risk and commodities risk. We are exposed to foreign currency exchange risk and interest rate risk in the normal course of our business, as well as risk associated with worldwide prices of natural gas.

Foreign exchange risk

The foreign exchange risk of either appreciation or depreciation of the Indian Rupee would have some impact depending on our level of foreign currency exposure. While most of our revenues and expenses are currently denominated in Rupees, we import project-related equipment and procure services from abroad, the costs and fees of which are denominated in foreign currencies. Accordingly, any depreciation of the Rupee against these currencies will increase the Rupee cost to us. If we are unable to recover the costs of foreign exchange variations through our tariffs, depreciation of the Rupee against foreign currencies may adversely affect our results of operations and financial condition.

Interest rate risk

As we have incurred substantial floating interest rate debt, we are exposed to interest rate risk. As of June 30, 2008, our Company had floating interest rate borrowings of Rs. 969.81 million. Our current debt facilities carry interest at floating rates with a provision for the periodic reset of interest rates. We do not currently enter into any swap or interest rate hedging transactions in connection with such loan agreements to mitigate our interest rate exposure. Although we may enter into interest rate hedging contracts or other financial arrangements in the future to mitigate our exposure to interest rate fluctuations, we cannot assure you that we will be able to do so on commercially reasonable terms or any of such agreements we enter into will protect us fully against our interest rate risk. Any increase in interest rates may have an adverse effect on our business and results of operations.

Price of natural gas

Natural gas is a commodity whose price is determined based on demand, supply and other factors, all of which are beyond our control, and worldwide prices for natural gas have fluctuated widely in recent years. Our results of operations are affected by worldwide prices of natural gas. A decline in prices of natural gas could result in a reduction of our sales and profit margins.

Further, our combined royalty obligations payable to the Government of West Bengal and the GoI are based on a minimum price of $6.79/mmbtu at the well head. If we charge more than $6.79/mmbtu for our gas, the combined royalty payment will be based on that higher amount.

Significant developments occurring after June 30, 2008

Except as stated elsewhere in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Unusual or infrequent events or transactions

To our knowledge, except as disclosed in this Draft Red Herring Prospectus, during the periods under review there have been no transactions or events which in our judgment would be considered unusual or infrequent.

Significant economic changes

The following significant economic changes may affect our business:

- Fluctuations in US dollar to Rupee exchange rates, as pricing of the natural gas we sell is ascertained in dollars.

  A portion of our costs and expenses are denominated in US dollars and any significant fluctuations in the US dollar to Rupee rate could lead to changes in our cost and expense structure. Currency fluctuations could also affect the price at which we are able to negotiate our gas sales agreements in the future. See the risk factor – "*Depreciation of the Rupee against foreign currencies may have an adverse effect on our results of operations"* on page xxvii.

- The global recession affecting the overall economy.

  The global recession could lead to a slow down in the growth of the global economy including the Indian economy. Such a slow down could lead to reduced demand for fossil fuels including natural gas which could result in lower prices of natural gas. Any significant changes in natural gas or CNG prices could affect our revenues and profits. See the risk factor – "*Political, economic and social changes in India could adversely affect our business*" on page xxvi.

- Fluctuations in interest rates.

We have debt with floating interest rates. Any significant change in the prevailing interest rate could affect our interest payments on our outstanding loans. We may not be able to pass on the costs of higher interest payments to our customers in the form of higher gas sale prices. See the risk factor – "*We have substantial borrowings and will continue to have substantial borrowings and debt service obligations following the Issue*" on page xx.

- Availability of credit facilities.

  We may access credit facilities to finance our daily operations and also for our capital expenditure plans. If there is a significant shortage in the availability of credit, or if credit is available at high interest rates, our operations may be adversely affected. See the risk factor – "*We have substantial borrowings and will continue to have substantial borrowings and debt service obligations following the Issue*" on page xx.

Known trends or uncertainties

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "– Factors Affecting Our Results of Operations" and the uncertainties described in the section titled "Risk Factors" on pages 168 and x, respectively, of this Draft Red Herring Prospectus. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

Future relationship between cost and revenue

Other than as described in "Risk Factors" and this section, there are no known factors that might affect the future relationship between cost and revenue.

Seasonality of Business

There are no material seasonal trends in our business.

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. For details, please refer to the discussions of our competition in the sections "Risk Factors" and "Our Business" in this Draft Red Herring Prospectus on pages x and 63, respectively.

Increase in Income

Increases in our income are due to the factors described above in "– Factors Affecting Our Results of Operations" and "Risk Factors" on pages 168 and x, respectively, of this Draft Red Herring Prospectus.

New products or business segments

We have not announced and do not expect to announce in the near future any new products or business segments, except in the ordinary course of our business.

Significant dependence on a single or small group of suppliers or customers

We are currently in the initial stages of marketing and selling a small amount of our natural gas directly to end users through truck mounted cascades. Thus, we are no dependent on any single or small group of suppliers.

FINANCIAL INDEBTEDNESS

Secured Borrowings

Set forth below is a brief summary of our Company's significant outstanding secured borrowings of Rs. 969.81 million as of June 30, 2008 together with a brief description of certain significant terms of such financing arrangements.

Our Company has been granted a loan of Rs. 3,500 million from a consortium of banks and a financial company consisting of the State Bank of India, State Bank of Indore, L&T Infrastructure Finance Company Limited, State Bank of Mysore, Canara Bank, State Bank of Patiala, State Bank of Saurashtra (merged with State Bank of India on August 13, 2008), State Bank of Travancore and Union Bank of India (together the "**Lenders**"). In 2006, SBI Capital Markets Limited conducted a financial appraisal for the purpose of a term loan to be availed by our Company in relation to the development of 100 wells and exploration of CBM in the Block.

Name of the Lender	Loan Documentation	Amount Outstanding as of June 30, 2008 (in Rs. Millions)	Interest Rate and Repayment Schedule	Security
State Bank of India	Common loan agreement dated January 24, 2008 entered into amongst the Lenders and our Company (the "**Common Loan Agreement**"), sanction letter dated August 16, 2007, Total amount sanctioned: Rs. 1,000 million Total amount availed: Rs. 1,000 million	525.38	State Bank of India's PLR plus 0.25% Repayment in 18 quarterly instalments consisting of 0.84% of the loan facility in the first quarter, 2.08% of the loan facility in the next six quarters and 7.88% of the loan facility in the remaining 11 quarters with payment for the first quarter being due on March 15, 2011.	• First ranking *pari passu* charge over assets as specified in the deed of hypothecation dated February 9, 2008 including all movable properties of our Company, including movable plant and machinery, machinery spares, tools, accessories and other assets of the project and as a first ranking *pari passu* charge on properties of our Company as per two memorandum of entry dated February 16, 2008 and May 19, 2008 by deposit of titled deeds relating to properties of our Company situated at Hirapur and Saltora districts, Burdwan, West Bengal, India. • First mortgage and charge over all immovable properties and assets, present and future of our Company and properties situated at Mouza Ishwarpura, Taluka Kadi, District Mehsana, Gujarat, India as specified in indenture of mortagage dated February 8, 2008. • First charge by way of hypothecation on all movables of our Company, both present and future. • First ranking charge on the participating interest of our Company under the PSC. • Assignment of (a) all project documents in relation to the contract area specified in the PSC (b) all the rights, title, interest, benefits, claims and demands of our Company in the project documents (c) all rights, title, interest, benefits, claims and

Name of the Lender	Loan Documentation	Amount Outstanding as of June 30, 2008 (in Rs. Millions)	Interest Rate and Repayment Schedule	Security
				demands of our Company in or under the authorization. • First charge on all of our Company's receivable and bank accounts including accounts to be created under the Common Loan Agreement and other related documents. • First charge on the intangibles (including any know how rights, patents and goodwill) and rights thereto of our Company, both present and future. Further the Lenders have the right to securitize the secured assets without intimation to our Company.
State Bank of Indore	Common Loan Agreement and sanction letter dated November 1, 2007. Total amount sanctioned: Rs. 250 million Total amount availed: Rs. 200 million	42.82	State Bank of Indore's PLR minus 0.25% Repayment schedule same as State Bank of India as stated above.	Same as State Bank of India as stated above.
L&T Infrastructure Finance Company Limited	Common Loan Agreement and the letter dated September 13, 2007. Total amount sanctioned: Rs. 750 million Total amount availed: Rs. 750 million	191.57	State Bank of India's PLR plus 0.25% Repayment schedule same as as State Bank of India as stated above.	Same as State Bank of India as stated above.
State Bank of Mysore	Common Loan Agreement and the sanction communication letter dated November 23, 2007. Total amount sanctioned: Rs. 250 million. Total amount availed: Rs. 150 million	45.46	State Bank of Mysore's PLR minus 0.25% Repayment schedule same as State Bank of India as stated above.	Same as State Bank of India as stated above.

Name of the Lender	Loan Documentation	Amount Outstanding as of June 30, 2008 (in Rs. Millions)	Interest Rate and Repayment Schedule	Security
Canara Bank	Common Loan Agreement and the sanction letter dated November 29, 2007 Total amount sanctioned: Rs. 300 million Total amount availed: Rs. 250 million	Nil	Canara Bank's PLR minus 0.25% Repayment schedule same as State Bank of India as stated above.	Same as State Bank of India as stated above.
State Bank of Patiala	Common Loan Agreement and the sanction letter dated October 10, 2007 Total amount sanctioned: Rs. 500 million Total amount availed: Rs. 400 million	89.29	State Bank of Patiala's PLR Repayment schedule same as State Bank of India as stated above.	Same as State Bank of India as stated above.
State Bank of Saurashtra*	Common Loan Agreement and the sanction letter dated October, 2007 Total amount sanctioned: Rs. 200 million Total amount availed: Rs. 150 million	32.76	State Bank of Saurashtra's PLR minus 0.25% Repayment schedule same as State Bank of India as stated above.	Same as State Bank of India as stated above.
State Bank of Travancore	Common Loan Agreement and the sanction letter dated September 25, 2007 Total amount sanctioned: Rs. 250 million Total amount availed: Rs. 200 million	22.56	State Bank of Travancore's PLR Repayment schedule same as State Bank of India as stated above.	Same as State Bank of India as stated above.
Union Bank of India	Common Loan Agreement and the sanction letter dated December 26, 2007 Total amount sanctioned: Rs. 550 million Total amount availed: Rs. 400 million	19.97	Union Bank of India's PLR minus 0.25% Repayment schedule same as State Bank of India as stated above.	Same as State Bank of India as stated above.

** Merged with State Bank of India on August 13, 2008.*

Under the terms of the Common Loan Agreement, the deed of hypothecation dated February 9, 2008 and individual sanction letters issued by the Lenders, our Company is subject to certain restrictive covenants as listed below:

1. Our Company cannot, without the prior consent of the Lenders, undertake, *inter alia,* any of the following:
   a. Effect a change in the capital structure;
   b. Formulate a scheme of merger,compromise,amalgamation, or consolidation with any person or affiliate;
   c. Undertake any new project or implement a scheme of expansion or acquire fixed assets except those indicated in the funds flow statement submitted to and approved by the Lenders;
   d. Invest by way of share capital in or lend or advance funds or place deposits with any other concern (including group companies) other than in the ordinary course of business or enter into any arrangement, agreement or commitment to make any investment, lend any amounts or issue any guarantees or letters of comfort or any similar arrangement to any person including affiliates or group/associate companies;
   e. Enter into borrowing arrangements with other banks, financial institutions, companies or otherwise or accept deposits apart from the arrangements indicated in the funds flow statement submitted from time to time and approved by the Lenders;
   f. Undertake guarantee obligations on behalf of any other company (including group companies);
   g. Declare dividends (since the Lenders have a first charge on the profits after provision of tax);
   h. Create any charge, lien or encumbrance over its undertaking or any part in favour of any financial institution, bank, company, firm or person;
   i. Sell, assign, mortgage or otherwise dispose of fixed assets charged to the Lenders;
   j. Enter into any contractual obligation which is of a long term nature or which affects our Company financially to a significant extent;
   k. Change the practice with regard to remuneration of Directors by means of ordinary remuneration of commission, scale of sitting fees, etc.;
   l. Undertake any trading activity other than sale of products arising from its own manufacturing;
   m. Permit any transfer of the controlling interest including any transfer by the Promoters or Promoter Group entities or make drastic changes in the management set-up;
   n. Repay monies brought in by Promoters, Directors, principal shareholders and their friends and relatives by way of loans, deposits or advances; or
   o. Radically change its accounting system.

2. In the event of default, the Lenders have the rights:
   a. To convert the debt into equity at a price as mutually agreed by our Company and the Lenders;
   b. To place the entire loan on demand or declare all amounts payable by our Company to be due and payable immediately;
   c. To appoint a nominee director on the Board who will not be liable to retire by rotation and who may also be appointed a member on a committee of the Board, if required by the Lenders;
   d. To take possession of the mortgaged properties and any future assets as comprised in the indenture of mortgage dated February 8, 2008;
   e. To sell or assign the mortgaged properties without the intervention of the court in accordance with provisions of Section 69 of the Transfer of Property Act, 1882; and
   f. To appoint a receiver with certain rights, including but not limited to the following:
      i. To take possession of the mortgaged premises;
      ii. To manage or carry on or concur in carrying on the business of our Company (including the management and operation of the facility and the performance of the project documents);
      iii. To borrow moneys on the security of the mortgaged premises;
      iv. To make calls on the shareholders of our Company in respect of uncalled capital committed under the Common Loan Agreement and other related documents;
      v. To assign, lease, sell, license or otherwise dispose of the mortgaged property; and
      vi. To promote the formation of companies with a view to purchasing all or any of the undertaking, property, assets and rights of our Company or otherwise.

g. To stipulate such other conditions or take such other actions as the Lenders deem fit in the circumstances.

3. The Lenders have the right to be indemnified out of the mortgaged premises in respect of all actions, proceedings, costs, claims, liabilities and expenses incurred in relation to the mortgaged properties in relation to exercise of powers related to the mortgaged property. The Lenders further have the right to be indemnified by our Company against any direct loss or liability incurred by the Lenders as a consequence of a default by our Company, any break costs incurred as a result of any amount not being prepaid in accordance with a notice of prepayment and the enforcement or preservation of any rights under any of the financing documents including the Common Loan Agreement.

4. Our Company cannot enter into any arrangement, agreement or commitment with any person or pay any fees, commissions or other sums on any account whatsoever to any person other than those to which the Lenders have given prior consent or those in the ordinary course of trading, at arm's length and on normal commercial terms or as required by the loan agreements mentioned above.

5. Our Company cannot, without the prior consent of the Lenders, make any amendments to its Memorandum or Articles which shall affect the rights of the Lenders

6. Our Company has agreed for a floating rate of interest linked to the respective prime lending rate of each Bank. The interest over prime lending rate shall be subject to the changes in the rates made by RBI from time to time if such directives of RBI are of general application.

7. If our Company fails to create and perfect the security in the form and manner satisfactory to the Lenders, it shall pay an interest at 1% p.a. on the outstanding loan until such security is created and perfected to the satisfaction of the Lenders.

8. In case of any adverse deviation beyond 20% in respect of total debt gearing, gross debt coverage ratio and security margin as stipulated, our Company shall pay an additional penal interest at 1% p.a. on the outstanding loan.

Unsecured Borrowings

As on June 30, 2008, our Company does not have any outstanding unsecured loans.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as disclosed in this section, there are no outstanding material litigations, suits, criminal or civil prosecutions, proceedings or disputed tax liabilities against our Company, Directors, Promoters and Promoter Group entities, there are no defaults, non payment of statutory dues, over-dues to banks or financial institutions, defaults against banks or financial institutions, defaults in dues payable to holders of any debenture, bonds or fixed deposits or arrears of preference shares issued by our Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified in Schedule XIII of the Companies Act) and there are no litigations or defaults pertaining to matters likely to affect the operations and financials of our Company other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters, our Promoter Group or our Directors. The information provided below is as of the date of this Draft Red Herring Prospectus.

Except as disclosed in relation to litigation, neither our Company nor our Promoters, members of the Promoter Group, and Directors have been declared as defaulters or willful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.

I. Contingent liabilities not provided for as of June 30, 2008:

Our contingent liabilities not provided for as of June 30, 2008 (as disclosed in our restated financial statements) include:

(Rs. in million)

Particulars	June 30, 2008	Fiscal 2008	Fiscal 2007	Fiscal 2006
Claims made by Adkins Services	420.24	411.21	278.10	278.10
Claims made by the GoI	10.20	9.98	8.55	4.10
Claims made by the Income Tax Authority	0.25	0.25	-	0.12
Claims made by M.R. Associates	0.75	-	-	-
Claims made by D.S. Steel	7.36	-	-	-

If any of these contingent liabilities materialize, the value of our capital works in progress and profitability could be adversely affected.

II. Litigation involving our Company

A. Outstanding Litigation and Material Developments/Proceedings involving our Company

Criminal Complaint

1. Adkins Services Inc. ("**ASI**") has filed a complaint (no. 4308/1 of 2003) dated November 28, 2003, against our Company, Mr. Prashant Modi (President and Chief Operating Officer of our Company), Mr. Yogendra Kumar Modi (Managing Director and Promoter of our Company), Dr. Sudhir Kumar Grover (former director of our Company), Mr. Arun Nevatia (one of our Key Managerial Employees) and two former employees of our Company, Mr. Mohit Banerjee and Dr. P.K. Roy, before the Additional Chief Metropolitan Magistrate under Section 190 of the CrPC, alleging commission of offences under Sections 420, 406, 403, 426, 506, 120B and 34 of the IPC. ASI has filed the present complaint alleging *inter alia* that our Company misrepresented the fact of possessing permission for drilling of wells and that our Company cheated ASI to the extent of Rs. 73.3 million by withholding machinery, equipment, tools and payments due.

   Our Company had entered into an agreement with ASI in 1999 in relation to drilling wells of CBM at Raniganj coal basin in Koylapur. Pursuant to the said agreement ASI hired a polish rig from the Oil & Gas

Exploration Company Cracow Limited and mobilized the same to Calcutta in July 1999, however the machinery was not utilised as our Company received necessary permission for drilling only in September 2001. Thereafter, during the process of drilling the wells disputes arose between our Company and ASI in relation to the machinery and payments to be made under the agreement.

In addition to the above complaint, ASI has also moved an application under Section 156(3) of the CrPC for directions to concerned police officials for registration and investigation of the matter. It was contended that the Economic Offence Wing of the Delhi Police, where the original police complaint was filed, failed to take any action on the same and hence the complaint was filed with the court. The court gave directions for lodging an FIR and for investigating into the allegations. After conclusion of the investigations into the allegations as directed, the investigating agency filed for cancellation of FIR. ASI filed an objection to the cancellation in view of which the Court directed for further investigation, which is pending.

Tax Cases against our Company

1. Our Company received an assessment order dated March 8, 1999 issued by the Deputy Commissioner of Income Tax, New Delhi, as per which the total income of our Company for AY 1996 to 1997 was computed at Rs. 0.53 million and a penalty order dated November 28, 2002 from the Income Tax Officer, New Delhi, imposing a penalty of Rs. 0.25 million for furnishing of inaccurate particulars of income by not offering interest income for taxation. Our Company preferred an appeal (ITA no. 2758/Del/2003) to the Commissioner of Income Tax (Appeals), New Delhi, which by its order dated February 27, 2003 allowed the appeal and cancelled the penalty imposed. The appeal filed by the Income Tax Department against this order was dismissed by the Income Tax Appellate Tribunal ("**ITAT**") by its order dated August 2, 2005, on the ground that no justification was recorded by the assessing officer. Against this order of the ITAT the Commissioner of Income Tax has filed an appeal (ITA no. 331 of 2006) before the High Court of New Delhi which was dismissed on December 4, 2008. The Hon'ble High Court has remitted the appeal back to the ITAT for hearing on merit. The matter is currently pending and the next date of hearing is January 21 2009.

Civil Suits

1. Jain Irrigation System Limited ("**JISL**") filed a civil suit (no. 138 of 2007) dated May 15, 2007 against our Company and others before the Civil Judge, Jalgaon, for declaration that there is no concluded contract between the parties and permanent injunction restraining our Company from encashing the bank guarantee furnished by JISL amounting to Rs. 1.30 million. The matter is in relation to a bid made by JISL in response to an invitation for bids made by our Company in 2006. Post receipt of bid from JISL, our Company made certain variations to the terms of the bid through its letter dated March 13, 2007 including in respect of payment of excise duty, which changes were not acceptable to JISL. Thereafter, our Company attempted to encash the performance guarantee submitted by JISL pursuant to the bid but could not do so in view of an interim order of the Civil Judge dated May 15, 2007 which directed that status quo be maintained pursuant to which a stop payment was put on the encashement of the bank guarantee. Subsequently, JISL filed an application for an injunction restraining our Company from encashing the bank guarantee until the disposal of the suit, which application was dismissed by the order of the court dated April 29, 2008. Against this order, JISL filed an appeal (no. 31 of 2008) dated May 2, 2008 before the District Court, Jalgaon seeking dismissal of the order along with an application for a temporary injunction restraining the relevant bank from releasing the bank guarantee to our Company. The court by its order dated November 7, 2008 allowed the appeal of JISL, set aside the order of the court dated April 29, 2008, directed that our Company be restrained from encashing or making payment of encashment of the bank guarantee and further directed that Civil Judge, Jalgaon expedite the trial hearing of suit no. 138 such that the same may be disposed within six months from the date of receipt of record and proceedings. Against this order our Company has filed an appeal on December 19, 2008 before the High Court of Judicature at Bombay, Bench Aurangabad. The matter is currently pending and the next date of hearing will be intimated in due course.

2. M.R. Associates and others filed a civil suit (no. 12 of 2007) against our Company dated May 28, 2007 before the Civil Judge, Asansol for *inter alia* recovery of dues amounting to Rs. 0.84 million being sums

not paid by our Company in relation to work order no. GEECL/22/205-06 dated October 4, 2005 for development of four well sites along with interest at the rate of 18% p.a. accrued thereon and pendent lite till realization. The court passed an ex-parte interim order dated May 28, 2007 directing our Company that the property developed by M.R. Associates as per the work order dated October 4, 2005 (the "**Suit Property**") not be damaged or disposed and that *status quo* be maintained with respect to the same until June 27, 2007. Subsequently, by its order dated August 6, 2007, the court directed our Company to deposit the disputed amount of Rs. 0.84 million failing which our Company would be required to refrain from transferring, selling, alienating or otherwise disposing off property in dispute. Our Company filed an appeal against the said order before the division bench of the High Court of Calcutta. The High Court by its order dated August 21, 2007 granted a stay against the said order till disposal of the application on the condition that our Company comply with the requirement of depositing Rs. 0.84 million failing which the said order would revive. However, since our Company has not complied with the requirement of depositing Rs. 0.84 million by operation of the said order our Company cannot transfer, sell, alienate or otherwise dispose off the Suit Property. The matter is currently pending.

3. D.S. Steel and others filed a money suit (no. 33 of 2008) against our Company on August 7, 2008 before the Civil Judge, Asansol for recovery of a sum of Rs. 8.01 million along with interest at the rate of 18% p.a. pendent lite till realization for non-payment of bills, along with an application for temporary injunction restraining our Company from alienating or disposing off the properties/sites developed by D.S. Steel for our Company. The disputed bills pertain to a work order awarded by our Company to D.S. Steel for developing wells and enabling drilling to extract methane gas from certain sites. D.S. Steel has alleged that they executed the works as per the work orders but were not paid the requisite amount against the bills raised. The court by its order dated August 8, 2008, directed that status quo be maintained and that our Company be restrained until September 5, 2008 from alienating, transferring, selling or otherwise disposing off the properties/sites developed by D.S. Steel. Subsequently, the court by its order dated October 31, 2008 directed that the interim injunction continue until the next date of hearing. The matter is currently pending and the next date of hearing is January 6, 2009.

4. Ms. Genu Bala Majhi has filed a title suit (T.S. no. 112 of 2008) on November 26, 2008 against our Company and others before the Civil Judge, Senior Division, Bankura along with an application for an interim injunction restraining our Company from carrying on construction or other activities and seeking orders for maintaining status quo. In the title suit Ms. Genu Bala Majhi has put forth a claim to title over land situated at District Bankura, police station Saltora, mouja Bamumtore, plot no. 186 and mouja Krishnapur plot nos. 217 and 219 (the "**Land**"). The injunction has been sought since our Company purchased the Land from the relatives of Ms. Majhi (also defendants in this matter) and is presently carrying on drilling activities on the Land.

   Ms. Majhi also previously filed a petition dated October 24, 2008 (no. 614 of 2008) against our Company and others under Section 144 of the CrPC before the Senior District Executive Magistrate. The petition seeking orders directing our Company to cease its operations on the impugned property was dismissed in view of the present title suit (T.S. no. 112 of 2008) by an order dated December 3, 2008 since both matters had the same cause of action.

Cases filed by our Company

1. Our Company filed a civil suit (no. 327 of 2008) dated May 12, 2008 against Avsco Houston before the Civil Judge, Senior Division, Alipore for recovery and damages amounting to Rs. 2.44 million in relation to allegedly faulty and defective equipment supplied to our Company by Avsco Houston. The matter is currently pending before the court and the next date of hearing shall be intimated in due course.

2. Our Company filed a civil suit (no. 120 of 2008) dated October 31, 2008 against the Steel Authority of India Limited and G.S. Atwal & Co. (the "**Defendants**") before the Civil Judge, Asansol. Our Company constructed a magazine house on property situated in the district of Burdwan, P.S. Hirapur, Mouza Purusotampur, Asansol which our Company has been accessing through a path adjacent to the same. In the suit our Company has alleged that the Defendants have undertaken construction on this path which interferes with our Company's easement right over the same and also blocks access to the magazine house.

Our Company has thus sought the relief of a declaration of our Company's easement rights over the path along with a permanent injunction restraining the Defendants' construction activity. Our Company's applications for an interim injunction to restrain the Defendants from undertaking any construction on the said path until final disposal of the suit was dismissed by the Court on November 1, 2008. Our Company has appealed against this order and the matter is currently pending.

Arbitration Proceedings initiated by our Company

3. Our Company filed a statement of claim dated April 24, 2006, for arbitration proceedings against the MoPNG before the Arbitration Panel claiming *inter alia* an amount of Rs. 0.63 million with interest as signature bonus over-paid under the PSC. The signature bonus of USD 0.3 million to be paid under the PSC was to be adjusted against an amount of Rs. 10 million already paid by our Company in 1994 under a previous memorandum of understanding with Coal India Limited prior to the PSC. Disputes arose as to the exchange rate applicable to the signature bonus following which the GoI by its letter dated May 13, 2005 raised a demand of Rs. 4.10 million as signature bonus due. Hence, our Company has referred the matter to arbitration under the PSC. The MoPNG has filed a counter claim dated August 14, 2006 for an amount of Rs. 8.55 million as the balance signature bonus due together with interest at the rate of 21% p.a. The matter is currently pending and the next date of hearing will be intimated by the Arbitration Panel in due course.

4. Our Company filed a statement of claim dated June 25, 2004, for arbitration proceedings against ASI before the Arbitration Panel claiming an amount of Rs. 198.50 million for loss of production/ revenue (inclusive of interest up to June 25, 2004) and an amount of Rs. 2.54 million on account of unadjusted advance with interest at the rate of 15% p.a. Our Company had entered into an agreement with ASI in 1999 in relation to drilling wells of CBM at Raniganj coal basin in Koylapur. Pursuant to the said agreement ASI hired a polish rig from the Oil & Gas Exploration Company Cracow Limited and mobilized the same to Calcutta in July 1999, however the machinery was not utilised as our Company received necessary permission for drilling only in September 2001. Thereafter, during the process of drilling the wells disputes arose between our Company and ASI in relation to the machinery and payments to be made under the agreement. Hence our Company initiated arbitration proceedings under the agreement. ASI has filed a counter claim dated August 27, 2004 for an amount of Rs. 278.10 million (along with interest) as damages paid on account of the mobilization of certain equipment. The matter is currently pending and the next date of hearing will be intimated in due course.

B. Proceedings initiated against our Company for economic offences

There are no proceedings initiated against our Company for any economic offences.

C. Details of past penalties imposed on our Company

There are no past penalties imposed on our Company.

D. Potential Litigation against our Company

1. The Director of Mines Safety, Sitarampur Region No. 1, issued a notice bearing reference no. S29018/01/2008/RN-1(EZ)/100047/1134 dated July 14, 2008 to our Company, stating that certain violations of the Oil Mines Regulations had been observed during an inspection of the CBM project of our Company. Our Company was asked to ensure that no work be done in the mine in contravention of the Oil Mines Regulations. Our Company, pursuant to its letter bearing reference no. GEECL/DGMS/08-09/003 dated August 3, 2008, intimated the Director of Mines Safety, Sitarampur Region No. 1 that our Company has taken steps to abide by the provisions of the Oil Mines Regulations and has undertaken not to conduct any activity in violation of the said regulations. No further communication has been received from the Director of Mines Safety on this matter.

2. The Director of Mines Safety, Sitarampur Region No. 1, issued a notice bearing reference no. S 29018/01/2008/RN-1(EZ)/100047/1205 dated July 24, 2008 to our Company stating that, during an inspection conducted by the Deputy Director of Mines Safety, Sitarampur Region No. 1, it was observed

that our Company has commenced laying a gas pipeline for interconnection of wells without obtaining prior permission in contravention of the provisions of Regulation 61 of the Oil Mines Regulations. Our Company was directed to show cause as to why an action should not be taken against our Company for such contravention. Our Company, pursuant to its letter bearing reference no. GEECL/DGMS/08-09/02 dated July 28, 2008, submitted a fresh application under Regulation 61 of the Oil Mines Regulations for laying a pipeline for interconnection of 30 CBM wells. Further, pursuant to its letter dated August 13, 2008, our Company informed the Director of Mines Safety, Sitarampur Region No. 1, that it had submitted applications bearing reference no. PL/GGS/GEECL/03 dated March 1, 2008 and GEECL/DGMS/08-09/02 dated July 28, 2008 as per Regulation 61 of the Oil Mines Regulations.

3. Our Company has filed two caveats both dated November 10, 2008 in the courts of the Civil Judge (Junior Division) and the Civil Judge (Senior Division) both at Bankura in relation to suits that might be filed by Ms. Genubala Majhi seeking an interim injunction against our Company in relation to properties situated in district Bankura, police station Saltora, mouja Bamuntore, plot nos. 186 and 217. Since Ms. Genubala Majhi has instituted a case in relation to properties adjacent to the same, our Company has filed the caveats in relation to the other two properties where Ms. Genubala Majhi is similarly involved.

E. Notices Received

1. The Director of Mines Safety, Sitarampur Region No. 1, issued notices bearing reference nos. S 29018/02/2006/RN-1(EZ)/CBM Project/1476 dated August 25, 2006, S 29018/02/2006/RN-1(EZ)/CBM Project/02 dated January 2, 2007 and S 29018/03/2007/RN-1(EZ)/CBM Project/276 dated February 21, 2007 to our Company stating that certain violations of the Oil Mines Regulations by our Company were observed and asked our Company to ensure compliance with the Oil Mines Regulations. Our Company submitted a reply on September 8, 2006 to the letter bearing reference no. S 29018/02/2006/RN-1(EZ)/CBM Project/1476 dated August 25, 2006 stating that we had taken appropriate measures to ensure compliance with certain prescribed provisions of the Oil Mines Regulations. Subsequently, the Director of Mines Safety, Sitarampur Region No. 1, pursuant to a letter bearing reference no. S 29018/02/2006/RN-1(EZ)/CBM Project/1477 dated August 30, 2008, asked our Company to submit the notice of appointment of a fire officer as required under Regulation 6 of the Oil Mines Regulation and further, not to appoint a single person as safety officer as well as fire officer. Our Company submitted the necessary documents on October 20, 2006. No further communication has been received from the Director of Mines Safety on this matter.

2. The Director of Mines Safety, Sitarampur Region No. 1, issued notices bearing reference nos. S 29018/02/2006-RN 1(EZ)/CBM Project/1822 dated October 30, 2006 and S 29018/02/2006-RN 1(EZ)/CBM Project/1822 dated November 1, 2006 stating that though our Company had submitted a contingency plan for fire, which was found to be in violation of Regulations 72(1) and 72(2) of the Oil Mines Regulations. Our Company had been asked to ensure compliance with the Oil Mines Regulations. Our Company submitted a revised fire contingency plan on February 28, 2007. No further communication has been received from the Director of Mines Safety on this matter.

F. Material Developments since the Last Balance Sheet Date

Except as disclosed in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 167, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its total assets or its ability to pay its material liabilities within the next 12 months.

G. Outstanding dues to small scale undertakings or any other creditors

Mentioned below are the details of the outstanding dues above Rs. 100,000 to small scale undertakings / creditors by our Company, for more than 30 days.

S. No.	Name of the small scale undertakings / creditors	Amount involved
1.	Kirloskar Pneumatic Company Limited	8,482,700
2.	Sopan O&M Private Limited	850,279
3.	Western Oilfield Services	539,328
4.	Bhoruka Logistics Private Limited	170,399
5.	Schlumberger Solutions Private Limited	5,021,827
6.	Castrol India Limited	102,868
7.	JCC India	1,829,517
8.	Dhanbad Engineering	208,563
9.	Burckhardt Compression (India) Private Limited	272,325
10.	D.S. Steel	653,735
11.	Asansol Trailer Service	197,260
12.	Krishna Enterprises	258,545
13.	M.R. Associates	217,387
14.	Mukherjee Construction	1,322,803
15.	Project India	290,030
16.	Diamond Engineering Works	120,967
17.	N N Enterprise	1,346,965
18.	Pelham Public Relations Limited	299,670
19.	Indian Compressors Limited	258,248
20.	Eastern Construction	626,505
21.	Bilas Kumar Sarkar & Co.	752,312
22.	Schlumberger Asia Service Limited	26,354,286
23.	Lakhi Enterprise	182,494
24.	Goel Construction (India) Limited	829,000
25.	Master Calibrator	276,318
26.	New Tech Engineering LP	5,257,280
27.	Aakash Exploration Services Private Limited	1,638,246
28.	Radhakrisha Hospitality Services Private Limited	202,248
29.	United Infrastructure	135,019
30.	Shreya Enterprise	1,005,739
31.	Atlas Copco Construction & Mining Sales	1,869,945
	Total	**61,572,808**

H. Cases against other Companies whose outcome could have an effect on our Company.

The issue of whether 'natural gas' should be included in the expression 'mineral oil' for the purpose of availing tax benefits under section 80 (IB)(9) of the I.T. Act is yet to be determined by the judiciary in India. **Our Company is not a party to the proceedings** however our Company shall be eligible to the benefit envisaged under section 80 (IB)(9) in the event it is judicially accepted that mineral oil includes natural gas for the purpose of section 80 (IB)(9) and in the event our Company fulfills other conditions prescribed in that section.

III. Litigation against the Directors of our Company

A. Outstanding Litigation and Material Developments/Proceedings against the Directors

Except as stated in this section, there is no other material litigation involving the Directors, there are no other criminal prosecutions or civil proceedings, including proceedings for violation of statutory regulations, involving the Directors, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by the Directors

(including past cases where penalties may or may not have been awarded and irrespective of whether they are specified in Schedule XIII of the Companies Act) and no disciplinary action has been taken by SEBI or any stock exchanges against our Directors.

Mr. Yogendra Kumar Modi

RBI Default List

Mr. Yogendra Kumar Modi, one of the promoters of the Company features in the list of directors of Spark Plug Limited ("**SPL**") on the website of CIBIL wherein SPL has been mentioned in the defaulters list. As informed by Standard Chartered Bank, Mr. Yogendra Kumar Modi's name features on CIBIL website on account of OA No. 179 of 2000, filed for recovery under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1933 by ICICI Bank and others against SPL and Mr. Mahendra Kumar Modi as its director, who had guaranteed the facility. We understand that the Standard Chartered Bank acquired the debt of SPL by a deed of assignment together with all security interests and rights in respect thereof. The aforesaid debt of SPL is secured *via* a pari passu charge on the fixed assets of SPL as well as personal guarantee from Mr. Mahendra Kumar Modi. Mr. Yogendra Kumar Modi has not acted as a guarantor for the aforesaid debt acquired by Standard Chartered Bank.

Mr. Yogendra Kumar Modi resigned from the Board of SPL with effect from January 7, 1994 and his resignation was recorded in the board meeting of SPL convened on January 19, 1994, Annual Report for the year ending September 30, 1993 and Form 32 filed with Registrar of Companies in February 1994.

Mr. Yogendra Kumar Modi disassociated with SPL pursuant to a Memorandum of Family Settlement dated March 16, 1995 effective retrospectively from January 9, 1994 entered into by him with Dr K.N. Modi, Mr. Mahendra Kumar Modi, and Mr. Devendra Kumar Modi. Mr. Yogendra Kumar Modi was neither a director of nor associated with SPL at the time when the account of SPL was classified as a non performing asset or when the cause of action arose or when the aforesaid DRT application was filed.

Mr. Yogendra Kumar Modi is following up with Standard Chartered Bank to apply to Reserve Bank of India for rectifying the records of CIBIL by deleting his name from the CIBIL website.

Criminal Complaints

1. ASI filed a complaint (no. 4308/1 of 2003) dated November 28, 2003, against our Company, Mr. Yogendra Kumar Modi and others, before the Additional Chief Metropolitan Magistrate under Section 190 of the CrPC, alleging commission of offences under Sections 420, 406, 403, 426, 506, 120B and 34 of the IPC. ASI has filed an application under Section 156(3) of the CrPC for directions to concerned police officials for registration and investigation of the matter. ASI filed the present complaint alleging *inter alia* that our Company misrepresented the fact of possessing permission for drilling wells and that our Company cheated ASI for an amount of Rs. 73.3 million by withholding machinery, equipment, tools and payments due. For further details, see the section titled "Outstanding Litigation and Material Developments – Litigation involving our Company – Criminal Complaint" on page 188.

2. Ms. Madhu Arora and others filed a criminal complaint (265/01 of 2006) before the Metropolitan Magistrate, Patiala House, New Delhi against Rossell Finance Limited and Mr. Yogendra Kumar Modi for fraud, criminal breach of trust and cheating under Section 403, 406, 415 and 417 of the IPC on account of the failure to repay an amount of Rs. 0.14 million due upon the maturity of certain fixed deposits. Mr. Yogendra Kumar Modi is a party to these proceedings in his capacity as the former chairman and director of Rossell Finance Limited; however, since he resigned from the directorship of the company on February 25, 1998 which is prior to the commission of the alleged offence, he filed an application for deletion of his name from the memo of parties. The matter is currently pending and the next date of hearing is scheduled to be on April 23, 2009.

3. Ms. Asha Rani and others filed a criminal complaint (266/01 of 2006) before the Metropolitan Magistrate, Patiala House, New Delhi against Rossell Finance Limited and Mr. Yogendra Kumar Modi for fraud, criminal breach of trust and cheating under Section 403, 406, 415 and 417 of the IPC on account of the

failure to repay an amount of Rs. 0.02 million due upon the maturity of certain fixed deposits. Mr. Yogendra Kumar Modi is a party to these proceedings in his capacity as the former chairman and director of Rossell Finance Limited; however, since he resigned from the directorship of the company on February 25, 1998 which is prior to the commission of the alleged offence, he filed an application for deletion of his name from the memo of parties. The matter is currently pending and the next date of hearing is scheduled to be on April 23, 2009.

4. Mr. Prakash and others filed a criminal complaint (448/01 of 2006) before the Metropolitan Magistrate, Patiala House, New Delhi against Rossell Finance Limited, Mr. Yogendra Kumar Modi and Ms. Anupama Modi for fraud, criminal breach of trust and cheating under Section 403, 406, 415 and 417 of the IPC on account of the failure to repay an amount of Rs. 0.19 million due upon the maturity of certain fixed deposits. Mr. Yogendra Kumar Modi is a party to these proceedings in his capacity as the former chairman and director of Rossell Finance Limited; however, since he resigned from the directorship of the company on February 25, 1998 which is prior to the commission of the alleged offence, he filed an application for deletion of his name from the memo of parties. The matter is currently pending and the next date of hearing is scheduled to be on April 23, 2009.

5. The Reserve Bank of India filed a criminal complaint (1358/2000) on November 29, 1999 before the Metropolitan Magistrate, Ballard Estate, Mumbai against Rossell Finance Limited, Mr. Yogendra Kumar Modi and others under Sections 58E, 58B and 58C of the Reserve Bank of India Act, 1934 ("**RBI Act**") for violation of Section 45QA of the RBI Act due to the failure to repay certain depositors in accordance with the orders of the Company Law Board dated June 18, 1998 and August 22, 1998. Mr. Yogendra Kumar Modi is party to these proceedings in his capacity as the former chairman and director of Rossell Finance Limited. He filed an application in 2002 for dropping of his name from the array of accused on the ground that he ceased to be a director of Rossell Finance Limited with effect from February, 25, 1998, which is prior to the commission of the alleged offence. The matter is currently pending and the next date of hearing is scheduled to be on January 29, 2009.

Tax Cases

1. The Commissioner of Wealth Tax, Delhi, has filed a Wealth Tax Reference no. 7 and 8 of 1997 before the High Court of Delhi against Mr. Yogendra Kumar Modi. The reference is in relation to whether the Wealth Tax Tribunal was correct in law in holding that the valuation of shares of Modipon Limited, held by Mr. Yogendra Kumar Modi, had to be taken as per the provisions of Rule 1D of the Wealth Tax Rules, II. The matter is currently pending.

2. The Commissioner of Income Tax, Ghaziabad filed an appeal (ITA no. 284 of 2005) dated October 5, 2005 before the Allahabad High Court against Mr. Yogendra Kumar Modi seeking to set aside a judgment (ITA no. 25/Del/2002) dated March 30, 2005 passed by the Income Tax Appellate Tribunal, New Delhi. The contention of the department is that interest amount of Rs. 175,000 is not allowable deduction under section 57 (iii) of the Income Tax Act as it was not utilized for the purpose of acquisition of shares. The department is therefore disallowing deduction of Rs. 175,000 from the total income. The matter is currently pending.

Proceedings before the Debt Recovery Tribunal

1. Bank of India filed an application (no. 14 of 1997) before the Debt Recovery Tribunal, New Delhi against Mr. Mahendra Kumar Modi and Mr. Yogendra Kumar Modi for recovery of a sum of Rs. 15.80 million (along with interest pendent lite and future interest on decreed amount till realisation at 19.75% p.a. against credit facilities availed by SPL (previously known as Modi Champion Limited). The credit facilities availed by SPL were secured by a guarantee provided by Mr. Mahendra Kumar Modi and Mr. Yogendra Kumar Modi. Mr. Yogendra Kumar Modi filed an application in July 1998 and an affidavit of evidence on June 16, 2003 seeking discharge from this matter since pursuant to a memorandum of family settlement dated March 16, 1995 with retrospective effect from January 9, 1994 he had ceased to be a guarantor of SPL with effect from 1994. The matter is currently pending and the next date of hearing is scheduled to be on February 11, 2009.

2. Bank of India issued a notice dated July 20, 2005 under Sections 25 to 28 of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 and Rule 2 of the second schedule to the I.T. Act to the legal representatives of Mr. K.N. Modi including Mr. Yogendra Kumar Modi in RC 142 of 2004 before the Debt Recovery Tribunal, New Delhi for recovery of a sum of Rs. 40.19 million (inclusive of interest upto December 21, 2004) as per the recovery certificate drawn in OA 514 of 2000 dated March 27, 2004 alongwith future pendent lite interest at the rate of 11% with effect from September 22, 2000 till realisation. Mr. Yogendra Kumar Modi filed an application on September 22, 2005 and January 2, 2006 for deletion of his name as a legal representative of the late Mr. K.N. Modi and exemption from providing details of properties owned by him since pursuant to a memorandum of family settlement dated March 16, 1995 with retrospective effect from January 9, 1994 he had ceased to be associated with SPL and Mr. K.N. Modi. Mr. Yogendra Kumar Modi also filed an application on September 25, 2007 for modification of orders dated August 23, 2007 and September 17, 2007 to be limited to assets inherited by him on the death of Mr. K.N. Modi. The matter is currently pending and the next date of hearing is scheduled to be on January 5, 2009.

Civil Cases

1. Rajputana Fertilizers filed a writ petition (no. 7424 of 2007) against the Appellate Authority of Industrial and Financial Reconstruction ("**AAIFR**"), the Board of Industrial and Financial Reconstruction ("**BIFR**"), Mr. Devendra Kumar, Mr. Mahendra Kumar Modi, Mr. Yogendra Kumar Modi, ICICI, IFCI, Unit Trust of India, HUDCO, General Insurance Corporation, Bank of Baroda, PNB before the High Court of Delhi seeking issuance of the writ of certiorari quashing the order of the AAIFR dated September 5, 2007, restoration of the order of the BIFR dated May 25, 2007, issuance of the writ of prohibition to Mr. Devendra Kumar Modi and to prohibit him from acting contrary to the terms of sanctioned scheme and taking any actions for the mutation of the Sikri Bagh Land in his own name and issuance of the writ of mandamus to the Tehsildar/SDM Modi Nagar, Ghaziabad, Uttar Pradesh to mutate the land situated at Sikri Bagh in the name of Modi Spinning and Weaving Mills Company Limited from the name of the late Mr. K.N. Modi. Mr. Yogendra Kumar Modi is a party to these proceedings in his capacity as a legal heir of the late Mr. K.N. Modi. The matter is currently pending and the next date of hearing is scheduled to be on January 7, 2009.

2. Mr. U.K. Modi has filed a suit (no. 2712 of 1998) before the High Court of Delhi against, Mr. K.N. Modi, Mr. Mahendra Kumar Modi, Mr. Yogendra Kumar Modi, Mr. Devendra Kumar Modi, Mr. V.K. Modi, Mr. S.K. Modi, Mr. B.K. Modi, IFCI, Godfrey Philips Limited, Modipon Limited, Quick Investment India Limited, Modi Rubber, Modi Spinning and Weaving Mills Company Limited and Modi Industries Limited for declaration and permanent injunction in relation to a scheme of separation proposed before the Modi family. The matter is currently pending.

3. Mr. V.K. Modi has filed a suit (no. 2694 of 1998) before the High Court of Delhi against Mr. Yogendra Kumar Modi, Mr. K.N. Modi, Mr. Mahendra Kumar Modi, Mr. Devendra Kumar Modi, Modi Industries Limited, Modipon Limited, Modi Xerox Limited, Godfrey Philips Limited, Bihar Sponage Iron Limited, Modi Rubber Limited, Modi Carpets Limited, Modi Threads Limited, Mr. K.K. Modi, Mr. S.K. Modi, Mr. B.K. Modi, Mr. U.K. Modi, Modi Spinning and Weaving Limited, Vishal Syntex Limited, Haryana Distillery Limited, Ambuja Cement Eastern Limited, Cloth and Abhor Mills, Modi Alkalies and Chemicals Limited and Indo Euro Industries Limited for declaration and recovery of Rs. 1 million along with interest at 18% p.a. in relation to certain disputes pertaining to a memorandum of understanding dated January 24, 1989. The matter is currently pending.

Outstanding Litigation by the Directors

Mr. Yogendra Kumar Modi

1. Mr. Yogendra Kumar Modi has filed a civil suit (C.S. (OS) No. 1585 of 2008) before the High Court of Delhi at New Delhi against Mr. Mahendra Kumar Modi and Mr. Devendra Kumar Modi claiming recovery of a sum of Rs. 34.32 million along with interest pendent lite and future at the rate of 18% p.a. as sums paid to the State Bank of India ("**SBI**") by Mr. Yogendra Kumar Modi in his capacity as a guarantor towards settlement of outstanding dues owed by SPL. Mr. Yogendra Kumar Modi was a director of SPL and as such

had provided a personal guarantee for the repayment of debt owed by SPL. Mr. Yogendra Kumar Modi has claimed the reimbursement of the said amount of Rs. 34.32 million from Mr. Mahendra Kumar Modi *inter alia* on the ground that Mr. Mahendra Kumar Modi had failed to meet the obligations under the memorandum of family settlement dated March 16, 1995 with retrospective effect from January 9, 1994 between Mr. Yogendra Kumar Modi and Mr. Mahendra Kumar Modi pursuant to which Mr. Mahendra Kumar Modi had agreed to replace the personal guarantee provided by Mr. Yogendra Kumar Modi to SBI by a guarantee to be provided by Mr. Mahendra Kumar Modi to SBI and further agreed to indemnify Mr. Yogendra Kumar Modi against any financial losses arising out of the same. The matter is currently pending.

Mr. Paul Sebastian Zuckerman

Nil

Mr. Pejavar Murari

Nil

Mr. Kashi Nath Memani

Nil

Mr. Haigreve Khaitan

Nil

B. Proceedings initiated against the Directors for economic offences

There are no proceedings initiated against the Directors for any economic offences.

C. Details of past penalties imposed on our Directors

There are no past penalties imposed on our Directors.

IV. Litigation involving our Promoters

A. Outstanding Litigation and Material Developments/Proceedings against our Promoters

Mr. Yogendra Kumar Modi

For details regarding the outstanding litigations against Mr. Yogendra Kumar Modi, see the section titled "Outstanding Litigation and Material Developments – Litigation against the Directors of our Company – Outstanding Litigation and Material Developments/Proceedings against the Directors" on page 193.

YKM Holdings Private Limited

Nearly all of the litigations involving YKM Holdings Private Limited are in the name of Prayog T-Pack Industries Limited, Fame Securities & Credits Private Limited and Trend-Setter Securities & Credits Private Limited as all these cases have been transferred from these companies to YKM Holdings Private Limited pursuant to scheme of amalgamation and merger.

Prayog T-Pack Industries Limited, along with Dear Securities Private Limited, Yog Securities Private Limited and Momentum Investment Private Limited were merged with YKM Holdings Private Limited pursuant to the provisions of the scheme of amalgamation as approved by the order dated August 31, 2001 of the High Court of Delhi in Company Petition number 450 of 2001. YKM Investment Limited, Trend-Setter Securities & Credits Private Limited, Bokel Investments Limited and Fame Securities & Credits Private Limited were merged with YKM Holdings Private Limited pursuant to the provisions of the scheme of merger as

approved by the order dated February 29, 2008 of the High Court of Punjab and Haryana, Chandigarh in Company Petition number 153 of 2007. For further details regarding the scheme of amamlgamation and merger, please see the section titled "Our Promoter and Promoter Group" on page 96.

Cases filed by the Registrar of Companies against YKM Holdings Private Limited

1. The Registrar of Companies, New Delhi filed a complaint (no. 286 of 2006) under Section 159 and 162 of the Companies Act against Prayog T-Pack Industries Limited for non-filing of annual returns for the year 2004-2005. YKM Holdings Private Limited has made a representation before the Registrar of Companies in relation to this matter. The matter is currently pending and the next date of hearing is scheduled to be on May 4, 2009.

2. The Registrar of Companies, New Delhi filed a complaint (no. 285 of 2006) under Section 162 and 220 of the Companies Act against Prayog T-Pack Industries Limited for non-filing of the balance sheet and profit and loss account for the year 2004-2005. YKM Holdings Private Limited has made a representation before the Registrar of Companies in relation to this matter. The matter is currently pending and the next date of hearing is scheduled to be on May 4, 2009.

Tax Cases against YKM Holdings Private Limited

4. The Income Tax Officer, Ward 11-(4), Kolkata issued a notice bearing reference no. WD.11(4)/AABCB0383P/2008-09/568 dated July 18, 2008 to Bokel Investment Limited, which has now merged with YKM Holdings Private Limited, to file certain documents in relation to assessment proceedings for the AY 2006 to 2007. In compliance with a previous notice dated April 22, 2008 under Section 142(1) under the I.T. Act certain details had been filed earlier and the department has by the present notice called for further details. The details have been furnished by YKM Holdings Private Limited through its letters dated July 15, 2008 and August 5, 2008. The matter is currently pending.

5. The Deputy Commissioner of Income Tax, Circle 18(1) New Delhi issued a notice of demand under Section 156 of the I.T. Act bearing reference no. ITA no. 4125/Del/2007 dated October 25, 2004 for the AY 1997 to 1998 imposing a penalty of Rs. 0.74 million on YKM Holdings Private Limited, which was subsequently set aside by the Commissioner of Income Tax (Appeals) pursuant to its order dated June 5, 2007. Against this order the income tax authorities filed an appeal on October 15, 2007 before the Income Tax Appellate Tribunal. The matter has been heard and the final order is awaited.

Cases filed by YKM Holdings Private Limited

1. Fame Securities & Credits Private Limited filed a civil suit (no. 153 of 2004) in February 2004 before the High Court of Delhi against Mr. P. Dinkaran and others for declaration and permanent injunction in relation to a general power of attorney executed by Mr. Dinkaran (former President of the company) in favour of certain parties. The company has sought a declaration that the general power of attorney dated December 12, 2003 executed by Mr. Dinkaran in favour of a third party authorizing such third party to deal with and dispose off agricultural land belonging to the company be declared null and void. The company has also sought injunction restraining the defendants from dealing in such properties. The matter is currently pending and the next date of hearing is scheduled to be on April 23, 2009.

2. Trend-Setter Securities & Credits Private Limited filed a civil suit (no. 154 of 2004) in February 2004 before the High Court of Delhi against Mr. P. Dinkaran and others for declaration and permanent injunction in relation to a general power of attorney executed by Mr. Dinkaran (former President of the company) in favour of certain third parties. The company has sought a declaration that the general power of attorney dated December 12, 2003 executed by Mr. Dinkaran in favour of a third party authorizing such third party to deal with and dispose off agricultural land belonging to the company be declared null and void. The company has also sought injunction restraining the defendants from dealing in such properties. The matter is currently pending and the next date of hearing is scheduled to be on April 23, 2009.

B. Details of past penalties imposed on our Promoters

No penalties have been imposed in the past on our Promoters.

C. Proceedings initiated against the Promoters for economic offences

There are no proceedings initiated against the Promoters, for any economic offences.

D. Litigation/Defaults in respect of companies/firms/ventures with which the Promoters were Associated in the Past

Except as stated in this section, there is no outstanding litigation/default wherein our Promoters continue to be named in respect of companies/firms/ventures with whom the Promoters were associated with in the past.

Our Promoter, Mr. Yogendra Kumar Modi continues to be named in certain litigation in respect of Rossell Finance Limited and SPL (previously known as Modi Champion Limited) being companies with whom he was associated with in the past. For further details of litigation pending against Mr. Yogendra Kumar Modi see the section titled "Outstanding Litigation and Material Developments – Litigation against the Directors of our Company – Outstanding Litigation and Material Developments/Proceedings against the Directors" on page 193.

V. Litigation involving the members of our Promoter Group

A. Outstanding Litigation and Material Developments/Proceedings against our Promoter Group

Tax Cases against Modi Telecommunications Limited

1. The Commissioner of Income Tax, New Delhi II issued an assessment order dated March 16, 2001 against Modi Telecommunications Limited (at the time known as Modi Korea Telecom Limited) as per which the Assessing Officer has disallowed the preliminary expenses under section 35D, bad debts written off and the pre-operative expenses of Modi Telecommunications Limited and has computed the total loss for Modi Telecommunications Limited for AY 1998 to 1999 to be Rs. 59.03 million as against the total loss of Rs. 62.14 million as declared by Modi Telecommunications Limited in its return filed on March 18, 1999. Modi Telecommunications Limited preferred an appeal to the Commissioner of Income Tax (Appeals) ("**CIT (Appeals)**"), New Delhi, challenging the order of the Assessing Officer. The CIT (Appeals) by its order dated January 2, 2003, disallowed the appeal. Modi Telecommunications Limited thereafter preferred an appeal (1463/Delhi/2003) against this order of the CIT (Appeals) before the Income Tax Appellate Tribunal ("**ITAT**") which by its order dated March 23, 2007 has upheld the said appeal on the ground that CIT (Appeals) had erred in upholding the addition of Rs. 8.13 million on account of bad debts. Against this order of the ITAT the Commissioner of Income Tax, New Delhi II, has filed an appeal under Section 260A of the Income Tax Act, 1961 (ITA no. 1308 of 2006) before the High Court of New Delhi. The tax effect in this case is Rs. 4.5 million. The matter is currently pending.

Civil Cases against Modi Telecommunications Limited

1. The Union of India filed a petition (OMP no. 351 of 2005) before the High Court of Delhi against Modi Telecommunications Limited (at the time known as Modi Korea Telecom Limited). The petition filed is in appeal against an arbitral award dated May 20, 2005, wherein the arbitrator awarded a sum of Rs. 6.75 million along with interest at 12% p.a. in favour of Modi Telecommunications Limited in relation to termination of the license agreement for providing radio paging services in the West Bengal circle on account of impossibility of performance due to delay in SACFA clearance. Modi Telecommunications Limited has filed its reply on February 7, 2007. The matter is currently pending and the next date of hearing is scheduled to be on January 16, 2009.

2. The Union of India filed a petition (OMP no. 350 of 2005) before the High Court of Delhi against Modi Telecommunications Limited (at the time known as Modi Korea Telecom Limited). The petition filed is in appeal against an arbitral award dated May 20, 2005, wherein the arbitrator awarded a sum of Rs. 7.51 million along with interest at the rate of 12% p.a. from February 18, 2000 till the date of the award and future interest at the rate of 12% p.a. from the date of the award till actual date of payment in favour of Modi Telecommunications Limited in relation to in relation to termination of the license agreement for providing radio paging services in the Madhya Pradesh circle on account of impossibility of performance due to delay in SACFA clearance. Modi Telecommunications Limited has filed its reply on February 7, 2007. The matter is currently pending and the next date of hearing is scheduled to be on January 16, 2009.

3. United India Insurance Company Limited filed an appeal (F.A. no. 792 of 2007) against Modi Telecommunications Limited (at the time known as Modi Korea Telecom Limited) before the National Consumer Dispute Redressal Commission. The appeal has been filed against the order of the State Consumer Dispute Redressal Commission dated October 11, 2007 whereby United India Insurance Company Limited was directed to pay an amount of Rs. 1.10 million to Modi Telecommunications Limited as the amount of compensation claimed pursuant to an insurance claim lodged by the company. The matter is currently pending and the next date of hearing will be intimated in due course.

4. The Employees Provident Fund Organization has issued a letter dated June 12, 2008 to Modi Telecommunications Limited demanding payment of interest amounting to Rs. 0.12 million and Rs. 0.28 million under Sections 7Q and 14B respectively of the Employees Provident Funds and Miscellaneous Provisions Act, 1952. The matter is currently pending.

Cases filed by Modi Telecommunications Limited

1. Modi Telecommunications Limited has filed an objection, no. 306 of 2005, under section 34 of the Arbitration and Conciliation Act, 1996 before the High Court of Delhi at New Delhi, against the award dated May 20, 2005 passed by the Arbitrator in favour of the Union of India, Department of Telecommunications. Modi Telecommunications Limited and the Department of Telecommunications had entered into a license agreement for commissioning of the radio paging service for Rajasthan Circle. The Department of Telecommunications had alleged that Modi Telecommunications Limited had defaulted in the performance of its obligations as per the terms of the license agreement and had also failed to pay the license fee. The Department of Telecommunications had invoked the financial bank guarantees and the performance guarantees furnished by Modi Telecommunications Limited at the time of entering into the license agreement. Modi Telecommunications Limited has claimed a refund of Rs. 14.16 million with interest at the rate of 12% p.a. The matter is currently pending and the next date of hearing is January 16, 2009.

2. Modi Telecommunications Limited has filed an execution petition, bearing number no. 183 of 2005 before the High Court of Delhi at New Delhi for execution of an award, dated May 20, 2005 passed in favour of Modi Telecommunications Limited in an arbitration proceeding with the Union of India, Department of Telecommunications. The award was of Rs. 6.75 million along with simple interest at the rate of 12% p.a. from February 18, 2000 till the date of the award and further interest at the rate of 12% p.a. from date of award till actual date of payment at the rate of 12% p.a. Modi Telecommunications Limited has sought the attachment of a sum of Rs. 11.29 million (inclusive of interest as on September 30, 2005) lying in the account of the Government of India with the State Bank of India together with further interest due till the date of actual payment or in the alternative, the attachment of the movable properties owned by the Department of Telecommunications. The matter is currently pending.

3. Modi Telecommunications Limited has filed an execution petition, bearing number no. 184 of 2005 before the High Court of Delhi at New Delhi for execution of an award, dated May 20, 2005 passed in favour of Modi Telecommunications Limited in an arbitration proceeding with the Union of India, Department of Telecommunications. The award was of Rs. 7.51 million along with simple interest at the rate of 12% p.a. from February 18, 2000 till the date of the award and further interest from date of award till actual date of payment at the rate of 12% p.a. Modi Telecommunications Limited has sought the attachment of a sum of Rs. 11.44 million lying in the account of the Government of India with the State Bank of India together

with further interest due till the date of payment or in the alternative, the attachment of the movable properties owned by the Department of Telecommunications. The matter is currently pending.

CBM Investments Limited

Nil.

YKM Holdings International Limited

Nil.

Great Eastern Energy Infrastructure Private Limited

Nil.

Great Eastern CBM Gas Private Limited

Nil.

Great Eastern Natural Gas Private Limited

Nil.

Great Eastern Energy Marketing Private Limited

Nil.

Great Eastern Energy City Gas Private Limited

Nil.

Great Eastern Energy Gas Private Limited

Nil.

Yogendra Kumar Modi (HUF)

Nil.

B. Proceedings initiated against the members of our Promoter Group for economic offences

There are no proceedings initiated against the members of our Promoter Group, for any economic offences.

C. Past Penalties paid by our Promoter Group companies

There are no past penalties paid by our Promoter Group companies.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see the section titled "Regulations and Policies in India" on page 75.

Approvals Related to the Issue

1. In-principle approval from the NSE dated [●];

2. In-principle approval from the BSE dated [●];

3. The Board of Directors has, pursuant to a resolution dated August 6, 2008 authorised the Issue;

4. The shareholders of our Company have, pursuant to a resolution dated September 8, 2008 authorised the Issue;

5. The Board of Directors has, pursuant to a resolution dated December 24, 2008 approved this Draft Red Herring Prospectus;

6. YKM Holdings Private Limited has authorized the transfer of 7,103,174 Equity Shares pursuant to its board resolution dated October 3, 2008; YKM Holdings International Limited has authorized the conversion of 7,400,000 GDRs into Equity Shares and the transfer of the resultant 37,000,000 Equity Shares pursuant to its board resolution dated October 10, 2008 and Mr. Sanjit Bakshi has given his consent for the transfer of 896,826 Equity Shares pursuant to his letter dated October 21, 2008 in the Offer for Sale; and

7. Our Company has made an application on November 25, 2008 to seek the approval of the RBI for transferring 45,000,000 Equity Shares forming part of the Offer for Sale.

Our Company has also obtained necessary contractual approvals required for the Issue.

Business Approvals

We have received the following significant government and other statutory approvals pertaining to our business:

A. Approval to explore and develop CBM

The Ministry of Industry, GoI, pursuant to its letter dated December 28, 1992 to our Company, granted approval to explore for and develop CBM gas. Our Company was offered 225 Sq km in Raniganj Coalfield as identified by the Department of Coal and had a mandate to enter into a memorandum of understanding with Coal India Limited, setting out the terms and conditions, including arbitration procedures for damages to coal mines. For further details as to the agreement entered into with Coal India Limited see the section titled "Our Business – Our History" on page 65. The approval is subject, *inter alia*, to the following conditions:

- There would be no financial liability on Coal India Limited and that the commercial arrangement to be entered into with Coal India Limited should provide for statutory levies and taxes payable to the GoI as per the prevailing laws and that a fixed amount of Rs. 10 million would be paid to Coal India Limited by our Company as 'Signature Bonus'; and
- Royalty, at the rate of 12.5% of the well-head sale value of methane gas would be paid by our Company, out of which, 10% would be payable as royalty to the Government of West Bengal and 2.5% to Coal India Limited as production bonus.

Details of the said approval of the Ministry of Industry, GoI, are as follows:

S. No.	Approval Granted	Authority	Reference/ Registration Number	Date Granted	Validity/Remarks
1.	Approval to explore and develop CBM in an area of 225 Sq km in Raniganj coalfields*	Under Secretary to the GoI, Secretariat for Industrial Approvals (Foreign Collaboration – II), Department of Industrial Development, Ministry of Industry, GoI	FC.II. No. 470(92)/541(92) *	December 28, 1992	Two years from the date of grant of the approval*

** The letter was thereafter amended, pursuant to letter dated December 31, 1992 bearing reference number FC. II. 470(92)/541(92) Amend, wherein the Ministry of Industry amended a typographical error so as to read '225 square meter' (as had appeared in the previous letter) as '225 square kilometer'.*

****** Pursuant to this approval, the company entered into a Memorandum of understanding and License dated December 15, 1993 with Coal India Limited so as to commence the development phase for a production term of 30 years. Further, the commercial exploitation of production of CBM would commence within a period not later than five years from the date of declaration of commerciality by our Company.*

B. Contract for Exploration and Production of Coal Bed Methane

Our Company entered into the PSC with the GoI with respect to the Block, on May 31, 2001. The participating interest granted to our Company with respect to the Block is 100%, consequent to which our Company shall be liable to contribute the entire costs incurred towards exploration, development and production of CBM in the Block. For further details, see the section titled "Our Business" on page 63.

C. Petroleum Exploration License

The following is the description of the petroleum exploration license granted to our Company by the Government of West Bengal and the approval of formula or basis on which valuation of CBM has to be conducted.

S. No.	Approval Granted	Authority	Reference/ Registration Number	Date Granted	Validity
1.	Grant of PEL under the PNG Rules for exploration of CBM in relation to the Block	Joint Secretary, Commerce and Industries Department, Group E, Government of West Bengal	S12 CI/0/IL-9/96(pt)	September 11, 2001	For a period of five years with effect from September 11, 2001.*
2.	Approval of formula or basis on which valuation of CBM has to be conducted pursuant to the PSC dated May 31, 2001 between our Company and the GoI	Director (E-II and Vig.), MoPNG, GoI	O-19024/1/2002 -ONG(V)(pt)	February 14, 2008	For a period of five years from the date of commencement of supply of gas from the project.

** As per the terms of the PEL, in the event the Company makes an application for the grant of mining lease before the determination of the PEL, the validity of the PEL shall be deemed to have been extended until a mining lease has been granted. Hence the PEL expired on the date of grant of mining lease for the Block, that is, September 4, 2008.*

D. Mining Lease

The Government of West Bengal has, pursuant to its letter dated September 4, 2008, granted our Company petroleum mining lease for a period of 20 years from the date of grant of the lease or as agreed in a formal lease deed to be executed, within the Block under the provisions of Rules 5(1)(ii) of the Petroleum and Natural Gas Rules,

1959 and Oil Fields (Regulation and Development) Act, 1948 subject to, *inter* alia, the following terms and conditions:

- The lease shall be with respect to CBM;
- The lease shall be subject to the provisions of the Petroleum and Natural Gas Rules, 1959 and Oil Fields (Regulation and Development) Act, 1948, as amended from time to time;
- Statutory levies and taxes shall be paid to the government per prevailing statutory laws and rules. Royalty at the rate of 10% ad valorem sale value at the well head shall be paid by our Company to the Government of West Bengal on the production of CBM. The Government of West Bengal may have the option to take CBM in kind in lieu of royalty payments from our Company; and
- In addition to the annual rental and other charges and taxes, our Company shall pay monthly, to the GoI, production level payments on CBM production at the rate of 2.5% of the sale value of the CBM produced in the relevant month. The production lever payments due from our Company for a month shall be paid to the Central Government not later than the end of the succeeding month. The Central Government may have the option to take CBM in kind in lieu of royalty payments from our Company.

Details of the said lease granted by the Government of West Bengal, are as follows:

S. No.	Approval Granted	Authority	Reference/ Registration Number	Date Granted	Validity/Remarks
1.	Grant of petroleum mining lease under Rule 5(1)(ii) of the PNG Rules and Oil Fields (Regulation and Development) Act, 1948 for mining of CBM in the Block	Joint Secretary, Commerce and Trade Department Mines Branch, Government of West Bengal	480-CI/0/Coal/016 /02/ML. Pt.	September 4, 2008	20 years from the date of the lease or as agreed in the lease deed to be executed. The lease is also subject to the terms and conditions set forth therein.

E. Right of Way for Laying Pipelines

The following are the approvals and consents received by our Company granting us the right of way to lay pipelines.

S. No.	Approval Granted	Authority	Reference/ Registration Number	Date Granted	Validity/Remarks
1.	Permission to lay 12 inches nominal bore natural gas pipeline along Grant Trunk Road and beyond 2.5 feet from center of the Grant Trunk Road (from Bhagat Singh More to Railway Crossing at Dhenua Main Colliery)	Chief Executive Officer, Asansol Municipal Corporation	210/AMC/PW/ Eng/08	June 4, 2008	N.A
2.	Permission to lay 12 inches nominal bore natural gas pipeline along Grant Trunk Road and beyond 25 feet center of the Grant Trunk Road (from before railway crossing of Dhemomain Colliery to Kulti Sail Growth Works)	Chairman, Kulti Municipality, District Burdwan	1090/K.M	May 14, 2008	N.A
3.	Permission for laying 350 mm diameter mild steel natural gas pipeline with 500 mm diameter mild steel diameter casing pipe under railway track at Km. K 318/5-6 in between Damodar –	Divisional Railway Manager (Engineering), Adra, South Eastern Railways	Engg/TE/1/C	July 1, 2008	N.A

S. No.	Approval Granted	Authority	Reference/ Registration Number	Date Granted	Validity/Remarks
	Mohishila Station (Goods Section)				
4.	Permission for laying 350 mm diameter mild steel carrier natural gas pipe with 500 mm diameter mild steel casing pipe under railway track at Km. N 320/16-17 in between Burnpur – Asansol Station	Divisional Railway Manager (Engineering)	Engg/TE/1/C	September 22, 2008	N.A.
5.	Permission under Manufacture Storage and Importation of Hazardous Chemicals Rules, 1989 for laying 12 inch diameter steel gas pipeline from gas gathering station to city gas station at the Block	Chief Controller of Explosives, Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry, GoI	P-2(4)587	October 9, 2007	N.A; our Company has been asked to submit a test report with the Chief Controller of Explosives after having completed the laying of the pipeline to accord permission to commission the pipeline
6.	License for laying 12 inch diameter steel pipeline in Steel Authority of India – IPS's township area	Senior Manager, IISCO Steel Plant, Steel Authority of India Limited	ES/2G-GEEC/819	July 24, 2008	N.A
7.	Permission for laying 12 inch nominal bore steel pipeline on the corridor of NHAI from Asansol to Durgapur along NH-2	National Highway Authority of India	13021/1/2001/ PIU(DUP)/2315	December 1, 2008	Subject to the general terms and conditions stated in the said permission
8.	Permission for 'way leave'/right of way for under-railway track and to lay gas pipeline of 12 inch nominal bore carrier pipeline with 18 inch steel casing at Railway Crossing No. LCNo.-2 in between Dhemo Main Colliery and BCQ Station at Chainage 47-43 over Grand Trunk Road by Horizontal Directional Drilling ("**HDD**") method	Senior Divisional Engineer, Eastern Railway, Asansol	WM/LC/Gas pipe/GEECL/ BCQ-Dhemomain	November 14, 2008	Subject to the deposit of a total amount of Rs. 0.31 million and compliance with general terms and conditions stated in the said permission
9.	Permission for 'way leave'/right of way for under-railway track and to lay gas pipeline of 12 inch nominal bore carrier pipeline with 18 inch steel casing at Railway Crossing No. 1A BCQ HSME 217/6-7 by HDD method	Senior Divisional Engineer, Eastern Railway, Asansol	WM/LC/Gas pipe/GEECL/ BCQ-HSME	November 3, 2008	Subject to the deposit of a total amount of Rs. 0.87 million and compliance with general terms and conditions stated in the said permission

F. Environmental Clearances and Other Approvals

S. No.	Approval Granted	Authority	Reference/ Registration Number	Date Granted	Validity/Remarks
Environmental Clearances					
1.	Environmental clearance, under EIA Notification, 2006, for CBM project in the Block for commercial production in District Burdwan in West Bengal	Director, I.A. Division, MoEF	J-11011/264/2007-IA II(I)	June 28, 2007	Valid until cancellation and subject to the general terms and conditions stated in the said clearance
2.	Consent under Sections 25 and 26	Chief Engineer,	C016699	June 10,	Valid until cancellation

S. No.	Approval Granted	Authority	Reference/ Registration Number	Date Granted	Validity/Remarks
	of the Water Act and Section 21 of the Air Act to operate the industrial unit at the Block and to discharge liquid effluent and to emit gaseous effluent from the premises of the industrial unit. The consent is valid for the production of CBM through 100 wells	West Bengal Pollution Control Board	(reference number 671-375/WPB/SEE(Ko)GEN/2006)	2008	and subject to the general terms and conditions stated in the said consent
3.	Consent to establish (from environmental point of view) our Company for exploration and development of CBM from 100 wells (production capacity of CBM per well being 14,160 cubic meter per day)	Member Secretary, West Bengal Pollution Control Board	599-2N-334/2005	January 16, 2008	Valid until cancellation and subject to the general terms and conditions stated in the said consent
Explosives and other licenses					
4.	License under the Explosives Act, 1884 and the Gas Cylinder Rules, 2004 for fill-cum-storage facilities of CNG gas at Well No. 16 in the Block	Controller of Explosives (Asansol Sub Circle), Petroleum and Explosives Safety Organisation, GoI	G/HO/WB/07/2(G22765)	December 11, 2007	Valid until renewal on or before September 30, 2010
5.	License under the Explosives Act, 1884 and the Gas Cylinder Rules, 2004 for filling CNG in on-board CNG cylinders of vehicle as automotive fuel in the premises located at Plot No. RS 4458, Khatian No. 3106/3119, Hirapur village, Raniganj, District Burdwan, West Bengal	Controller of Explosives (Asansol Sub Circle), Petroleum and Explosives Safety Organisation, GoI	G/HO/WB/07/5(G23031)	April 30, 2008	Valid until renewal on or before September 30, 2010
6.	License under the Explosives Act, 1884 and the Gas Cylinder Rules, 2004 for filling CNG in on-board CNG cylinders of vehicle as automotive fuel in the premises located at Plot numbers 1490, 1498, 1499 and 1498, Raniganj, District Burdwan, West Bengal	Controller of Explosives (Asansol Sub Circle), Petroleum and Explosives Safety Organisation, GoI	G/HO/WB/07/1(G2230)	July 11, 2007	Valid until September 30, 2010
7.	License under the Gas Cylinder Rules, 2004 for filling CNG cylinders at Plot numbers 522, 148, 76, 146, 145/1573, village Shyamdihi, District Burdwan, West Bengal	Deputy Chief Controller of Explosives, (Asansol Sub Circle), Petroleum and Explosives Safety Organisation, GoI	G/HO/WB/05/151(G23810)	October 13, 2008	Valid until renewal on or before September 30, 2010
8.	Approval of the proposal for laying 12 inch steel pipelines from Bhagat Singh More (branching from the main pipeline from GGS to CGS) to SAIL Growth Works, Kulti.	Chief Controller of Explosives, Petroleum and Explosives Safety Organisation, GoI	P-2(4)620	September 25, 2008	Subject to the terms and conditions prescribed in the approval letter, including right of way clearance, environmental clearances and approval for the deviation from the route from the

S. No.	Approval Granted	Authority	Reference/ Registration Number	Date Granted	Validity/Remarks
					Asansol Municipal Corporation and Kulti Municipal Corporation.
9.	Provisional no objection certificate for CNG station with a stationery CNG Cascade having total capacity of 1,000 litres at Mouza Syamdih, Raniganj, Plot numbers 1499 and 1498/1933, P.S. Hirapur, District Burdwan, West Bengal	Director, West Bengal Fire and Emergency Services, Government of West Bengal	WBFES/4733/ 1(1)	July 5, 2007	Subject to the terms and conditions prescribed in the certificate. Further, consequent to compliance with all the safety recommendations in the certificate, a fire license shall have to be obtained by our Company.
10.	Provisional no objection certificate for CNG filling-cum-storage facility where CBM after being lifted from Well No. 20 shall be compressed and stored in two cascades, each having a capacity of 2,250 litres at Mouza Hirapur, Block Raniganj, Ward No. 37, plot no. 4458, khatian no. 3106/3119, District Burdwan, West Bengal	Director, West Bengal Fire and Emergency Services, Government of West Bengal	WBFES/2008/ 08/Burd.P/38/ 07	February 13, 2008	Subject to the terms and conditions prescribed in the certificate. Further, consequent to compliance with all the safety recommendations in the certificate, a fire license shall have to be obtained by our Company.
11.	Provisional no objection certificate for CNG filling-cum-storage facilities where CBM shall be compressed and stored in two cascades, each having a capacity of 2,250 litres at Mouza Dhania, plot no. 1494, ward no. 37, District Burdwan	Director, West Bengal Fire and Emergency Services, Government of West Bengal	WBFES/6690/ 10/Burd.P/26/ 07	November 8, 2007	Subject to the terms and conditions prescribed in the certificate. Further, consequent to compliance with all the safety recommendations in the certificate, a fire license shall have to be obtained by our Company.
12.	Permission under Regulation 51 of the Oil Mines Regulations for construction of a Group Gathering Station – 1 at CBM project, Surrjanagar, near Well No. 2, as shown in Plan No. S-154-01 dated August 12, 2004 and Mouza/surface Plan No. GEECL/AL-1 dated February 12, 2006	Director of Mines Safety, Sitarampur Region – I, Ministry of Labour, GoI	S1/CBM Project/794	April 28, 2006	Subject to compliance with the conditions prescribed in the permission.
13.	Permission under Regulation 51 of the Oil Mines Regulations for construction of a Group Gathering Station at Shyamidh as shown in Plan No. GEECL/DGMS/08/09/01 and Mouza/surface Plan No. GEECL/DGMS/08-09/02 both dated July 19, 2008	Director of Mines Safety, Sitarampur Region – I, Ministry of Labour, GoI	S29020/1//100 047/2008/151 3	September 30, 2008	Subject to compliance with the conditions prescribed in the permission.
14.	Approval under Rule 47A of the	Director of Mines	EZ/Elect/DIR/	March 26,	Subject to compliance

S. No.	Approval Granted	Authority	Reference/ Registration Number	Date Granted	Validity/Remarks
	Indian Electricity Rules, 1956 to install, commission and put into use generators at the CBM project	Safety (Electricity), Sitarampur, Eastern Division, GoI	HT/Underground/2008/482E	2008	with the conditions prescribed in the approval
15.	Approval under the Gas Cylinder Rules, 2004 for site layout and construction plan of the filling-cum-storage facilities at village Shyamdihi, district Burdwan, West Bengal	Chief Controller of Explosives, Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry, GoI	A/G/HO/WB/05/143 (G23810)	July 22, 2008	Subject to compliance with the conditions prescribed in the approval
16.	License to dispense CNG in a CNG dispensing station as automotive fuel granted to Indian Oil Corporation Limited at the premises situated at City Fuels, City Centre, Durgapur, district Burdwan, West Bengal.	Chief Controller of Explosives, Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry, GoI	G/HO/WB/07/7 (G23653)	September 16, 2008	Valid until September 30, 2010
17.	License to dispense CNG in a CNG dispensing station as automotive fuel granted to Indian Oil Corporation Limited at the premises situated at Siddheshwar Filling Station, G.T. Road, Barakar, Durgapur, district Burdwan, West Bengal.	Chief Controller of Explosives, Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry, GoI	G/HO/WB/07/3 (G23048)	December 12, 2008	Valid until September 30, 2010
18.	License to dispense CNG in a CNG dispensing station as automotive fuel granted to Indian Oil Corporation Limited at the premises situated at KSTP, Asansol, district Burdwan, West Bengal.	Chief Controller of Explosives, Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry, GoI	G/HO/WB/07/4 (G23173)	February 13, 2008	Valid until September 30, 2010
19.	License to dispense CNG in a CNG dispensing station as automotive fuel granted to Indian Oil Corporation Limited at the premises situated at Mahendra Auto, Kultora, district Burdwan, West Bengal.	Chief Controller of Explosives, Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry, GoI	G/HO/WB/07/6 (G23142)	July 21, 2008	Valid until September 30, 2010

G. Essentiality Certificates for Import of Goods

Our Company regularly imports items as required for the execution of the PSC dated May 31, 2001 between our Company and the GoI. Our Company obtains essentiality certifications from the DGH as required under notification no. 26/2003-Customs dated March 1, 2003 issued by the Ministry of Finance (Department of Revenue) for the import of such items in order to avail the exemption from payment of customs duty on such goods.

Labour Related Approvals

S. No.	Approval Granted	Authority	Reference/ Registration Number	Date Granted	Validity

S. No.	Approval Granted	Authority	Reference/ Registration Number	Date Granted	Validity
1.	Registration under Section 13 of the Punjab Shops and Commercial Establishment Act, 1958 for our office at Signature Towers-A, 14th Floor, South City, NH-8, Gurgaon 122 001, Haryana, India	Inspector, Shops and Commercial Establishments, Gurgaon	GGN/7/2007/366	May 24, 2007	Valid until March 31, 2010
2.	Registration under the West Bengal Shops and Establishment Act, 1963 for our office at 1, Ballygunge Park, Kolkata 700 019	Inspector, Shops and Establishment, Government of West Bengal	BDn/74/591	April 18, 2007	Three years from the date of registration
3.	Registration under the West Bengal Shops and Establishment Act, 1963 for our office at G.T. Road, Fatehpur, Sitarampur	Inspector, Shops and Establishment, Government of West Bengal	BDn/74/591	April 18, 2007	Three years from the date of registration
4.	Registration as a 'principal employer' under Section 7(2) of the Contract Labour (Regulation and Abolition) Act, 1970 for drilling, for exploration of CBM where the maximum number of persons to be employed as contract labour through any contractor in any given day is not to exceed 50	Assistant Labour Commissioner (Central), Asansol – I, Office of the Regional Labour Commissioner, Ministry of Labour, GoI	46/3(3)/99-E-3	December 3, 1999	N.A
5.	Code for compliance with the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, the Employees' Provident Fund Scheme 1952, the Employees' Pensions Scheme, 1995 and Deposit Linked Insurance Scheme, 1976	Regional Provident Fund Commissioner, West Bengal	WB/CA/44229	January 27, 2005, pursuant to letter bearing reference number R-ENF/SPL/WB/CA/44229/53	N.A

Taxation and Other Approvals

A. Tax Deduction Account Number and Permanent Account Number of our Company

S. No.	Particulars	Reference number/registration number
1.	Tax Deduction Account Number under the I.T. Act	DELG03592B
2.	PAN of our Company	AAACG3345F

B. Registrations under various Tax Statutes granted to our Company

S. No	Registration granted	Authority	Registration Number	Validity/Reference
1.	Registration under Section 7(1) of the Central Sales Tax Act, 1956	Assistant Commissioner, Commercial Taxes, Government of West Bengal	19394051282	Pursuant to letter dated December 15, 2003 bearing reference number 2010/DC(S).(R) and is valid until cancellation
2.	Registration under Rule 5(1) of the Central Sales Tax (Registration and	Assistant Commissioner, Commercial Taxes, Government of West	19394051282	The registration is with effect from September 10, 2003 and is valid until cancellation.

S. No	Registration granted	Authority	Registration Number	Validity/Reference
	Turnover) Rules, 1957.	Bengal		
3.	Code for depositing tax under Section 40 of the West Bengal Value Added Tax Act, 2003	Commissioner, Sales Tax, Government of West Bengal	5101145	Pursuant to letter dated February 27, 2008 bearing reference number 2945CT and is valid until cancellation.
4.	Registration under Section 24(1)(a) of the West Bengal Value Added Tax Rules, 2005	Assistant Commissioner, Sales Tax, Government of West Bengal	19394051088	N.A
5.	Registration under Sections 19(2) and 21 of the West Bengal Value Added Tax Act, 2003	Assistant Commissioner, Sales Tax, Government of West Bengal	19294951088	Pursuant to letter dated December 27, 2005, bearing reference number 1004 DC (S)NR and is valid until cancellation.
6.	Registration under Rule 9 of the Central Excise Rules, 2002 for manufacturing of excisable goods, namely, compressed natural gas (CNG) (CET Ch – 2711) at Well No. 10 Area, Shyamdihi, P.O. Burnpur, District Burdwan, West Bengal 713 325	Assistant Commissioner, Central Excise, GoI	AAACG3345FXM001	N.A
7.	Registration under Rule 9 of the Central Excise Rules, 2002 for manufacturing of excisable goods, namely, compressed natural gas (CBM) (TI No. 27112100) at Well No. 16 Area, Dhenua, Ward No. 37, Hirapur, Burnpur, Bardhaman, West Bengal 713 325	Assistant Commissioner, Central Excise, GoI	AAACG3345F-XM-002	N.A
8.	Registration under Rule 9 of the Central Excise Rules, 2002 for manufacturing of excisable goods, namely, compressed natural gas (CBM) (TI No. 27112100) at Well No. 20 Area, Plot No. 4458, Hirapur, Burnpur, Bardhaman, West Bengal 713 325	Assistant Commissioner, Central Excise, GoI	AAACG3345F-XM-003	N.A
9.	Registration under Rule 9 of the Central Excise Rules, 2002 for manufacturing of excisable goods, at Well No. 12 Area, Plot No. 76, Shyamidhi, Burnpur, Bardhaman, West Bengal 713 325	Assistant Commissioner, Central Excise, GoI	AAACG3345F-XM-004	N.A
10.	Certificate of Importer-Exporter Code	Foreign Trade Development Officer, Ministry of Commerce, GoI	0202012972	Pursuant to letter dated May 5, 2003, referring to a file bearing number 02/04/130/01293/AM03/ dated November 13, 2002

S. No	Registration granted	Authority	Registration Number	Validity/Reference
11.	Service Tax Code and Location Code	Assistant Commissioner of Service Tax, Service Tax Division III, Kolkata	Service Tax Code number AAACG3345FST001; Location Code number SB0303	N.A
12.	Certificate of registration under Section 69 of the Finance Act, 1994	Superintendent, Service Tax Commissioner, Division III, Kolkata	14/GTA/SB-03/R-III/KOL/05-06	N.A
13.	Certificate of registration under Section 69 of the Finance Act, 1994	Superintendent, Service Tax, Range II, Gurgaon	Service Tax Code AAACG3345FST002; Premises Code SE0302/ISD/05/2008	N.A
14.	Certificate of registration under Section 69 of the Finance Act, 1994	Assistant Commissioner, Central Excise, Asansol I Division	Service Tax Code AAACG3345FST004 ; Location Code : 331202	N.A
15.	Certificate of registration under Section 69 of the Finance Act, 1994	Assistant Commissioner, Division III, Service Tax Commissionerate, Kolkata	Service Tax Code AAACG3345FST003 ; Premises Code : SB0302/1239	N.A
16.	Registration under the West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979	Professional Tax Officer, Kolkata South Range, Government of West Bengal	RCS-1060198	N.A

C. Notifications and Circulars Pertaining to Certain Tax Exemptions Available to Our Company

S.No	Particulars	Reference Number and Date
1.	Notification by the Central Government under Section 5A(1) of the Central Excise Act, 1944 exempting "all goods supplied against International Competitive Bidding" from so much duty of excise specified under the First Schedule of the Central Excise Tariff Act, 1985, as is in excess of the amount calculated at the prescribed rate	Notification number 06/2006-CE dated March 1, 2006
2.	Public notice issued by the Department of Economic Affairs, Ministry of Finance, GoI notifying that the supply of goods specified in List 19 covered under categories specified in serial numbers 247, 249 and 250 in the Customs Notification No. 17/2001-Cus dated March 1, 2001 required in connection with petroleum operations undertaken under petroleum exploration licenses or mining leases, as the case may be, issued or renewed after April 1, 1999 and granted by the GoI or any State Government to the Oil and Natural Gas Corporation or Oil India Limited on nomination basis, and petroleum operations undertaken under the specified contracts including those under the New Exploration Licensing Policy shall be regarded as 'Deemed Export' under the said policy, provided the goods are manufactured in India and shall be eligible for grant of Advance License for Deemed Export	DGFT Public Notice 1(FT)/DEA/2001 dated May 23, 2001

D. Intellectual Property Registrations

Our Company received a certificate of registration in relation to the following marks, issued by the Trademark Registry, Government of India:

S. No.	Description	Trademark No.	Registered on	Expires on
1.	The logo "✸" in Class 4	1392368	March 29, 2008	N.A
2.	The logo Y K M Holdings GREAT EASTERN ENERGY CORPORATION LTD. in Class 4	1392369	March 29, 2008	N.A.

Approvals applied for

Our Company filed the following applications all of which are currently pending registration:

S. No.	Approval sought	Authority	Reference No.	Date of application
1.	Registration for the logo "GREAT EASTERN ENERGY CORPORATION LIMITED" in Class 4	Trademark Registry, New Delhi	1392370	October 18, 2005
2.	Registration for the logo "" in Classes 1, 4, 16 and 37	Trademark Registry, New Delhi	01630864	December 13, 2007
3.	Registration for the logo "" in Classes 1, 4, 35, 37 and 16	Trademark Registry, New Delhi	01630865	December 13, 2007
4.	Approval for laying MDPE pipelines for interconnection of 30 CBM wells at well no. 12 under Regulation 61 of the Oil Mines Regulations	Director of Mines Safety, Sitarampur Region – I, Ministry of Labour, GoI	GEECL/DGMS/08-09/02	July 28, 2008
5.	Permission for laying 12 inch nominal bore natural gas pipeline laying on the corridor of Grand Trunk Road (from Bhagat Singh More to Kulti SAIL Growth)	Superintendent Engineer, Western Circle No. 1, Burdwan	-	April 22, 2008
6.	Application for extension of the Block to include an additional area of 29 Sq km	Directorate General of Hydrocarbons	-	March 5, 2007

Approvals required but not received/applied

Nil

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The shareholders of our Company have, pursuant to a resolution dated September 8, 2008, under section 81(1A) of the Companies Act, authorised the Issue.

The Board of Directors has, pursuant to the resolution dated August 6, 2008, authorised the Issue subject to the approval by the shareholders of our Company under section 81(1A) of the Companies Act, and such other authorities as may be necessary. The Board of Directors has, pursuant to a resolution dated December 23, 2008 approved this Draft Red Herring Prospectus.

YKM Holdings Private Limited has authorized the transfer of 7,103,174 Equity Shares pursuant to its board resolution dated October 3, 2008; YKM Holdings International Limited has authorized the conversion of 7,400,000 GDRs into Equity Shares and the transfer of the resultant 37,000,000 Equity Shares pursuant to its board resolution dated October 10, 2008 and Mr. Sanjit Bakshi has given his consent for the transfer of 896,826 Equity Shares pursuant to his letter dated October 21, 2008 in the Offer for Sale.

Our Company has made an application on November 25, 2008 to seek the approval of the RBI for transferring 45,000,000 Equity Shares forming part of the Offer for Sale.

Prohibition by SEBI, RBI or Governmental Authorities

Our Company, the Selling Shareholders, the Directors, the Promoters, the directors or person(s) in control of the Promoter or the Promoter Group and the companies in which the Directors are associated as 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.

Except as stated in the section titled "Outstanding Litigation and Material Developments" on page 188 none of our Company, our Promoters, Promoter Group, our Directors and the companies in which our Directors are associated as directors, have been declared as defaulters or willful defaulters by the RBI or any other governmental authority and there has been no violation of any securities law committed by any them in the past and no such proceedings are pending against any of them.

Mr Yogendra Kumar Modi, one of our Promoters, features in the list of directors of Spark Plug Limited ("SPL") on the website of CIBIL wherein SPL has been mentioned in the defaulters list. Mr Yogendra Kumar Modi is following up with Standard Chartered Bank to apply to Reserve Bank of India for rectifying the records of CIBIL by deleting the name of Mr Yogendra Kumar Modi from CIBIL website. For further details please see the section titled "Outstanding Litigation and Material Developments" on page 188.

Eligibility for the Issue

Our Company is an unlisted company not complying with the conditions specified in Clause 2.2.1 of the SEBI Guidelines and is therefore required to meet both the conditions detailed in Clause 2.2.2(a) and Clause 2.2.2(b) of the SEBI Guidelines.

Clause 2.2.2 of the SEBI Guidelines 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 net offer to public being allotted to the Qualified Institutional Buyers (QIBs), failing which the full subscription monies shall be refunded.*

(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.*"

Accordingly, in compliance with Clause 2.2.2 of the SEBI Guidelines, the Issue is being made through the Book Building Process, with at least 60% of the Issue being proposed to be Allotted to the QIB Bidders. In case we do not receive subscriptions of at least 60% of the Issue from QIBs, we shall refund the subscription monies forthwith.

Our Company will comply with the second proviso to Clause 11.3.5(i) of the SEBI Guidelines; accordingly, not less than 10% and 30% of the Issue shall be available for allocation to Non-Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received at or above the Issue Price.

The post-Issue face value capital of our Company shall be Rs. 590,900,000 which is more than the minimum requirement of Rs. 100 million. Hence, we are eligible under Clause 2.2.2 of the SEBI Guidelines.

In accordance with Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of Allottees shall be not fewer than 1,000.

Further, in terms of Rule 19(2)(b) of the SCRR, this being an Issue of less than 25% of our post-Issue share capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated to QIBs on a proportionate basis, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIBs including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. For further details, see the section titled "Issue Structure" on page 229.

Disclaimer Clause

AS REQUIRED, A COPY OF THIS 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, ENAM SECURITIES PRIVATE LIMITED, ABN AMRO ASIA EQUITIES (INDIA) LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING 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, ENAM SECURITIES PRIVATE LIMITED, ABN AMRO ASIA EQUITIES (INDIA) LIMITED AND SBI CAPITAL MARKETS LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, ENAM SECURITIES PRIVATE LIMITED, ABN AMRO ASIA EQUITIES (INDIA) LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 24, 2008 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

1. **"WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS ("DRHP") 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 DRHP FORWARDED TO THE SEBI 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 SEBI, THE GOVERNMENT OF INDIA AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRHP ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. **WE CONFIRM THAT ALL THE INTERMEDIARIES NAMED IN THE DRHP ARE REGISTERED WITH SEBI, AND THAT TILL DATE SUCH REGISTRATION IS VALID EXCEPT ABN AMRO ASIA EQUITIES (INDIA) LIMITED THE SEBI REGISTRATION FOR WHICH WAS VALID UP TO DECEMBER 5, 2008. THE APPLICATION FOR RENEWAL OF THE CERTIFICATE OF REGISTRATION IN THE PRESCRIBED MANNER HAS BEEN MADE BY ABN AMRO ASIA**

EQUITIES (INDIA) LIMITED TO SEBI ON SEPTEMBER 5, 2008 THREE MONTHS BEFORE THE EXPIRY OF THE PERIOD OF CERTIFICATE AS REQUIRED UNDER REGULATION 9(1) OF THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992. THE APPROVAL OF SEBI IN THIS REGARD IS PRESENTLY AWAITED. WE SHALL PROVIDE THE UPDATED STATUS IN THIS REGARD IN THE RHP.

4. **WHEN UNDERWRITTEN, WE WILL SATISFY OURSELVES ABOUT THE NET WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER 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 PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRHP WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRHP.**

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 DRHP.**

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 PROMOTERS' CONTRIBUTION AND SUBSCRIPTION FROM ALL FIRM ALLOTTEES WOULD BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE**

8. **WHERE THE REQUIREMENTS 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 COMPANY 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 COMPANY 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 WILL BE 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 TO BE 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 PROMOTER,**

DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE. – NOT APPLICABLE

12. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRHP THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE

13. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

(A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND

(B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME".

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY AND THE SELLING SHAREHOLDERS FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND 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 ENAM SECURITIES PRIVATE LIMITED, ABN AMRO ASIA EQUITIES (INDIA) LIMITED AND SBI CAPITAL MARKETS LIMITED ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of sections 56, 60 and 60B of the Companies Act.

Caution/Disclaimer from Our Company, the Selling Shareholders and the BRLMs

Our Company, the Selling Shareholders, the Directors, 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 Company's instance and anyone placing reliance on any other source of information, including our Company's website www.geecl.com, or the website of any Promoter, Promoter Group company, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the memorandum of understanding entered into among the BRLMs, our Company and the Selling Shareholders on December 24, 2008, and the Underwriting Agreement to be entered into between the Underwriters, our Company and the Selling Shareholders.

All information shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither our Company, nor the Selling Shareholders nor any member of the Syndicate is liable to the Bidders 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 our Company, the Selling Shareholders and 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 and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, the Selling Shareholders and 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.

Notwithstanding anything stated in this Draft Red Herring Prospectus, the Selling Shareholders do not express any opinion with respect to nor do they assume any responsibility for the statements and disclosures made by our Company or any other person, whether or not relating to our Company, their respective businesses, the promoters, the financial information or any other disclosures and statements and the directors and officers of the Selling Shareholders shall not be liable in any situation whatsoever. The Selling Shareholders assumes responsibility only for the statements about or relating to the Selling Shareholders in this Draft Red Herring Prospectus.

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 majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in section 4A of the Companies Act, scheduled commercial banks, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, NIF, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, and permitted Non-Residents, including FIIs and their Sub-Accounts, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity 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 New Delhi, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby 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 from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Our 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 (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, our Equity Shares are only being offered or sold in the United States to (i) entities that are "Qualified Institutional Buyers" as defined in Rule 144A under the Securities Act and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

Further, each Bidder may be required to agree in the CAN that such Bidder will not sell or transfer any Equity Shares or any economic, interest therein, including any so-called 'Participatory Notes' or any similar security, ones than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Disclaimer clause of the BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated to our Company by the BSE, post scrutiny of the 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 this Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated to our Company by the NSE, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus will be filed with the SEBI at the Securities and Exchange Board of India, SEBI Bhavan, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the other documents required to be filed under section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus to be filed under section 60 of the Companies Act will be delivered for registration to the RoC.

Listing

Applications have been made to the BSE and the NSE for permission to deal in, and for an official quotation of the Equity Shares. The [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges, our Company and the Selling Shareholders shall forthwith repay, without interest, all monies received from applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within eight days after our Company has become liable to repay it (i.e., from the date of refusal or within 15 days from the Bid/Issue Closing Date, whichever is earlier), then our Company shall, on and from expiry of eight days, be liable to repay the monies, with interest at the rate of 15% p.a. on the application monies, 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 both the Stock Exchanges are taken within seven Business Days of finalisation of the Basis of Allotment.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of section 68A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or
(b) otherwise induces a company to Allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."

Consents

Consents in writing of: (a) the Selling Shareholders, the Directors, the Company Secretary and Compliance Officer, the Auditors, the legal counsels and the bankers to the Company; and (b) the BRLMs, the Syndicate Members, the Escrow Collection Banks and the Registrar to the Issue to act in their respective capacities, will be obtained and 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 will not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

For the purposes of complying with the Companies Act and SEBI Guidelines only, Price Waterhouse, Chartered Accountants, have given and have not withdrawn their written consent for the inclusion of their name and their report in the form and context in which it appears in this Draft Red Herring Prospectus. A written consent under the Companies Act and SEBI Guidelines is different from a consent filed with the U.S. Securities and Exchange Commission under the Section 7 of the Securities Act which is applicable only to transaction involving securities registered under the Securities Act. Price Waterhouse, Chartered Accountants, have not filed a consent under Section 7 of the Securities Act.

For the purpose of the offers and sales outside the United States in reliance on Regulation S under the Securities Act and within the United States to "qualified institutional buyers" in reliance on Rule 144A under the Securities Act, Price Waterhouse, Chartered Accountants have acknowledged the inclusion in this Draft Red Herring Prospectus of all references to its name, and their report dated October 1, 2008 in the form and context in which it appears in which it appears in this Draft Red Herring Prospectus.

[●], the agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, will give its written consent to the inclusion of their report in the form and context in which it will appear in the Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the RoC.

Netherland, Sewell & Associates, Inc. have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Herring Prospectus and such consent and report will not be withdrawn up to the time of the delivery of the Red Herring Prospectus and the Prospectus to the RoC.

Expert Opinion

Except the report provided by the NSAI and the report provided by the IPO Grading Agency (a copy of which report will be annexed to the Red Herring Prospectus) furnishing the rationale for its grading which will be provided to the Designated Stock Exchange and updated at the time of filing of the Red Herring Prospectus with the RoC, pursuant to the SEBI Guidelines, we have not obtained any other expert opinions.

Issue Related Expenses

Issue related expenses include, among others, underwriting and selling commissions, printing and distribution expenses, legal fees, advertisement and marketing expenses, SEBI filing fees, bidding software expenses, IPO Grading expenses, Registrar's fees, depository fees and listing fees.

The Issue expenses, except the listing fee, shall be shared between our Company and the Selling Shareholders in the proportion to the number of Equity Shares sold to the public as part of the Issue. The listing fees will be paid solely by our Company.

The details of the estimated Issue expenses are as follows:

(Rs. in million)

Activity	Estimated expenses	As a percentage of the total Issue expenses	As a percentage of the Net Proceeds
BRLMs fees, underwriting and selling commission*	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing, stationery and distribution expense	[●]	[●]	[●]
IPO Grading expense	[●]	[●]	[●]
Others (Registrar's fee, legal fee, listing fee etc.)	[●]	[●]	[●]
Total estimated Issue expenses			

** Will be included upon finalization of the Issue Price.*

Fees Payable to the Book Running Lead Managers and Syndicate Members

The total fees payable to the Book Running Lead Managers and Syndicate Members (including underwriting commission, selling commission and reimbursement of their out of pocket expenses) will be as per the memorandum of understanding dated December 24, 2008 among our Company, the Selling Shareholders and the Book Running Lead Managers, a copy of which is available for inspection at the Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CANs/refund orders (or revised CANs, if required), preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the memorandum of understanding between our Company, the Selling Shareholders and the Registrar to the Issue dated December 19, 2008, a copy of which is available for inspection at the Registered Office.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to make refunds in any of the modes described in this Draft Red Herring Prospectus or send Allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the last five years

Our Company has not made any public issue or rights issue of Equity Shares in India. Our Company is an "unlisted company" under the provisions of SEBI Guidelines and this Issue is an initial public offering in terms of the SEBI Guidelines. However, our Company has made two GDR issuances which are listed on the Alternative Investment Market of the London Stock Exchange, London. For further details see sections titled "Capital Structure" and "History and Certain Corporate Matters" on pages 20 and 80, respectively.

Previous issues of Equity Shares otherwise than for cash

Our Company has not issued any Equity Shares for consideration other than cash.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Companies under the Same Management

There are no listed companies under the same management within the meaning of former section 370 (1B) of the Companies Act other than the companies disclosed under the section titled "Our Promoters and Promoter Group" on page 96. No company under the same management as our Company within the meaning of Section 370(1B) of the Companies Act has made any public issue (including any rights issues to the public) during the last three years.

Promise v/s Performance

Our Company has not made any previous public issue in India as per the SEBI Guidelines. Further, our Promoter Group companies are not listed and have not made public or rights issue in the preceding three years.

Outstanding Debentures or Bond Issues or Preference Shares

Except for outstanding options granted to our employees under ESOP 2008, our Company has no outstanding debentures or bonds or redeemable preference shares or other such instruments as of the date of this Draft Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares, the Equity Shares are not listed on any stock exchange in India.

Mechanism for Redressal of Investor Grievances

The memorandum of understanding between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or, where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the ASBA Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

Our Company, the Registrar to the Issue and the SCSBs, as applicable 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.

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

Our Company has appointed Mr. Parveen Arora as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Mr. Parveen Arora
Signature Towers-A
14th Floor, South City
NH-8, Gurgaon 122 001
Haryana, India.
Telephone: +91 124 455 9900
Facsimile: +91 124 258 0467
E-mail: investors@geecl.com

Other Disclosures

Except as disclosed in the section titled "Capital Structure" on page 20, the Promoter Group, the directors of the Promoters or the Promoter Group companies or the Directors have not purchased or sold any securities of our Company during a period of six months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI.

Purchase of Property

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 the Draft Red Herring Prospectus, other than property required for drilling.

Except as stated in the Draft Red Herring Prospectus, our Company has not purchased any property in which any of its Promoters and/or Directors, have any direct or indirect interest in any payment made thereunder in the last two years.

Disposal of investor grievances by listed companies under the same management as our Company

There are no listed companies under the same management as our Company.

Change in Auditors

There have been no changes in our Auditors in the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years.

Tax Implications

Investors that are Allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the stock exchanges. For details, see the section titled "Statement of Tax Benefits" on page 42.

Revaluation of Assets

Our Company has not revalued its assets in the last five years.

Interest of Promoters and Directors

Promoters

Except as stated in the section titled "Financial Statements" on page 111, and to the extent of compensation and commission, if any, and their shareholding or GDR holding in our Company, the Promoters do not have any other interest in our business or in our Company.

Interest of Directors

Except Mr. Paul Sebastian Zuckerman, who currently holds 165,466 GDRs of our Company, thereby enjoying a beneficial interest in 827,330 Equity Shares, and Mr. Kashi Nath Memani who currently holds 29,000 GDRs of our Company thereby enjoying a beneficial interest in 145,000 Equity Shares, none of our Directors hold any Equity Shares or GDRs of our Company.

Mr. Haigreve Khaitan, is a partner of Khaitan & Co., Advocates which is providing legal services to our Company from case to case basis for which it receives fees for the services rendered. Khaitan & Co., Advocates has also been engaged by the Company as Company's counsel for the Issue.

All the Directors, including independent 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 other remuneration and reimbursement of expenses, if any, payable to them under the Articles of Association and the executive Directors are also interested to the extent of remuneration paid to them for services rendered as officers or employees of our Company.

The Directors, including independent Directors, may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and Allotted to the companies, firms and trust, in which they are interested as directors, members, partners or trustees. 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. For details regarding the shareholding/GDR holding of our Directors in our Company, see the section titled "Capital Structure" on page 20.

The Directors have no interest in any property acquired by our Company within two years prior to the date of filing of this Draft Red Herring Prospectus.

Except as stated above and in the section titled "Financial Statements" on page 111, and to the extent of compensation and commission, if any, and their shareholding in our Company, the Directors other than the Promoters do not have any other interest in our business.

Payment or Benefit to Officers of our Company

None of our Key Managerial Employees have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business, or GDRs held by them, if any, and to the extent of options under the ESOP 2008 which they currently hold or may hold in future.

Except for the payment of Rs. 28.90 million by our Company to Mr. Yogendra Kumar Modi, no amount or benefit has been paid or given to any officer of our Company within the two preceding years from the date of filing of this Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment and other than the options granted to them under our ESOP and the Equity Shares to be allotted to them on exercise of options from time to time. For further details regarding the reimbursement of Rs. 28.90 million to Mr. Yogendra Kumar Modi, see the section titled "Our Management - Payment or benefit to our officers (non-salary related)" on page 95.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the ASBA Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Board of Directors has, pursuant to resolution passed at its meeting held on August 6, 2008, authorised the Issue subject to the approval by the shareholders of our Company under section 81(1A) of the Companies Act, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a resolution dated September 8, 2008, under section 81(1A) of the Companies Act, authorised the Issue.

The Board of Directors has, pursuant to a resolution dated December 24, 2008 approved this Draft Red Herring Prospectus.

Our Company has obtained in-principle listing approvals dated [●] and [●] from the BSE and the NSE, respectively.

YKM Holdings Private Limited has authorized the transfer of 7,103,174 Equity Shares pursuant to its board resolution dated October 3, 2008; YKM Holdings International Limited has authorized the conversion of 7,400,000 GDRs into Equity Shares and the transfer of the resultant 37,000,000 Equity Shares pursuant to its board resolution dated October 10, 2008 and Mr. Sanjit Bakshi has given his consent for the transfer of 896,826 Equity Shares pursuant to his letter dated October 21, 2008 in the Offer for Sale.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Memorandum and Articles of Association and shall rank *pari passu* with the existing Equity Shares including rights in respect of dividends. The Allottees of the Equity Shares in this Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section titled "Main Provisions of the Articles of Association" on page 271.

Mode of Payment of Dividend

Our Company shall pay dividends to its shareholders in accordance with the provisions of the Companies Act.

Face Value and Issue Price

The face value of each Equity Share is Re. 1. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share. At any given point of time there shall be only one denomination of Equity Shares, subject to applicable law.

Compliance with the SEBI Guidelines

Our Company shall comply with applicable disclosure and accounting norms specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, the equity shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements executed with the Stock Exchanges, and the Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation/splitting, see the section titled "Main Provisions of the Articles of Association" on page 271.

Market Lot and Trading Lot

Under section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI Guidelines, the trading of the Equity Shares shall be in dematerialised form only. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be in electronic form in multiples of one Equity Share, subject to a minimum Allotment of [●] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts in New Delhi, India.

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, the death of all the Bidders, as the case may be, the Equity Shares Allotted 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 benefits 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 the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can only be made on the prescribed form available on request at the Registered Office or with 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 the provisions of section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- 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 register himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If the investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue including devolvement to the Underwriters, within 60 days from the Bid/ Issue Closing Date, we shall forthwith refund the entire subscription amount received. If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded. If there is a delay beyond eight days after we become liable to pay the amount, we shall pay interest as per section 73 of the Companies Act.

The requirement for minimum subscription is not applicable to the Offer for Sale. In order to determine the minimum subscription, the Fresh Issue portion shall be offered first and Offer for Sale component will be considered only to the extent that the Fresh Issue and Offer for Sale together constitutes 10% of the fully diluted post-Issue paid up share capital of the Company.

In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale. Any expense incurred by our Company on behalf of the Selling Shareholders with regard to refunds, interest for delays, etc. for the Equity Shares being offered through the Offer for Sale, will be reimbursed by the Selling Shareholders to our Company.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, our Company and the Selling Shareholders shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Our 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 (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, our Equity Shares are only being offered or sold in the United States to (i) entities that are "Qualified Institutional Buyers" as defined in Rule 144A under the Securities Act and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Application by Eligible NRIs, FIIs, Sub-Accounts, and FVCIs

It is to be distinctly understood that there is no reservation for NRIs and FIIs, Sub-Accounts, or FVCIs.

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 Equity Share and on their consolidation/ splitting except as provided in our Articles. See the section titled "Main Provisions of the Articles of Association" on page 271.

Withdrawal of the Issue

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Issue, including at any time after the Bid/Issue Opening Date but before the Allotment, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading

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

ISSUE STRUCTURE

Public issue of 91,280,501 Equity Shares for cash at a price of Rs. [●] per Equity Share including a share premium of Rs. [●] per Equity Share, aggregating Rs. [●] million, consisting of a Fresh Issue and an Offer for Sale. The Issue will constitute approximately 15.45% of the fully diluted post-issue paid-up share capital of our Company.

Our Company is exploring the possibility of a Pre-IPO Placement. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement, will be reduced from the Issue, subject to a minimum Issue size of 10% of the post-Issue share capital.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	At least 54,768,301Equity Shares.	Not less than 9,128,050 Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 27,384,150 Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Percentage of Issue available for Allotment/Allocation	At least 60% of the Issue shall be allotted to QIB Bidders. However, 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Not less than 10% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 30% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Basis of allocation if respective category is oversubscribed	Proportionate as follows: (a) 2,738,415 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) 52,029,886 Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate.	Proportionate.
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds Rs. 100,000.	Such number of Equity Shares so that the Bid Amount exceeds Rs. 100,000.	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Bid Lot	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply **	Public financial institutions as specified in section 4A of the Companies Act, FIIs and their Sub-Accounts, scheduled commercial banks, Mutual Funds, multilateral and bilateral development financial institutions, VCFs, FVCIs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, NIF, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law.	Eligible NRIs, Resident Indian individuals, HUF (in the name of the *Karta*), companies, corporate bodies, scientific institutions, societies and trusts.	Resident Indian individuals (including ASBA Bidders and HUFs in the name of the *Karta*) and Eligible NRIs.
Terms of Payment	Margin Amount applicable to QIBs shall be payable at the time of submission of the Bid cum Application Form to the Syndicate Members.	Margin Amount applicable to Non-Institutional Bidders shall be payable at the time of submission of the Bid cum Application Form to the Syndicate Members.	Margin Amount applicable to Retail Individual Bidders shall be payable at the time of submission of the Bid cum Application Form to the Syndicate Members. In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the ASBA Form.
Margin amount	At least 10% of Bid Amount.	Full Bid Amount on Bidding.	Full Bid Amount on Bidding.

* Subject to valid Bids being received at or above the Issue Price. In terms of Rule 19(2)(b) of the SCRR, this is an Issue for less than 25% of the post-Issue equity share capital, therefore, the Issue is being made through a 100% Book Building Process wherein at least 60% of the Issue shall be allotted on a proportionate basis to QIBs. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for Allotment on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories at the discretion of our Company in consultation with the BRLMs. If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith.

** In case the Bid cum Application Form or ASBA Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form or ASBA Form, as the case may be.

Letters of Allotment, Refund Orders or Instructions to SCSBs

Our Company shall credit the Equity Shares to the valid beneficiary account with its Depository Participants within two Business Days from the date of the Allotment to all successful Allottees including ASBA Bidders which in any event shall not exceed 15 days of the Bid/Issue Closing Date.

Please note that only Bidders having a bank account at any of the 68 centres where the clearing houses for the ECS as notified by the RBI are eligible to receive refunds or payment through electronic transfer of funds. For all other Bidders, including Bidders having bank accounts in the said 68 centres who have not updated their bank particulars along with the nine-digit MICR code, the refund orders shall be dispatched within 15 days of the Bidding/Issue Closing Date "Under Certificate of Posting" for refund orders less than or equal to Rs. 1,500 and through speed post/registered post for refund orders exceeding Rs. 1,500.

In case of ASBA Bidders, the Registrar to the Issue shall instruct the SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA for withdrawn, rejected or unsuccessful or partially successful ASBAs within 15 days of the Bid/Issue Closing Date.

Interest in Case of Delay in Dispatch of Allotment Letters/ Refund Orders or Instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 15 (fifteen) days from the Bid/ Issue Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or ECS, shall be done within 15 days from the Bid/Issue Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 15 (fifteen) days of the Bid/Issue Closing Date.
- It shall pay interest at 15% p.a. if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 (fifteen) days from the Bid/Issue Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 15 days of the Bid/Issue Closing Date.

Our Company and the Selling Shareholders will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay orders or demand drafts drawn on any one or more of the Escrow Collection Banks/ Refund Banker(s) and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Account to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

Bid/Issue Program

BID/ISSUE OPENS ON	**[●], 2009**
BID/ISSUE CLOSES ON	**[●], 2009**

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding/Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time)** and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000 which may be extended up to such time as deemed fit by Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Stock Exchanges within half an hour of such closure. Due to limitation of the time available for uploading the

Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on Business Days, i.e., Monday to Friday (excluding any public holiday).

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

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

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with the SEBI Guidelines. The cap shall not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional Business Days after such revision, subject to the total Bidding/Issue Period not exceeding 10 Business Days. Any revision in the Price Band, and the revised Bidding/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and the terminals of the other members of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

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

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be procured only through the BRLMs or their affiliates. In the case of QIB Bidders, our Company, in consultation with the BRLMs, may reject Bids at the time of acceptance of the Bid cum Application Form provided that the reasons for such rejection shall be disclosed to such Bidder in writing. In the cases of Non-Institutional Bidders and Retail Individual Bidders, our Company and the Selling Shareholders will have a right to reject the Bids only on technical grounds.

Investors should note that Allotment to all successful Bidders will only be in dematerialised form. Bidders will not have the option of receiving Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

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. The Bidders 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 determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by the 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 applying on a repatriation basis, FIIs and their Sub-Accounts, FVCIs, registered Multilateral and Bilateral Development Financial Institutions and other Non-Residents applying on a repatriation basis	Blue

Who can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
2. Indian nationals resident in India who are not minors in single or joint names (not more than three);
3. Hindu Undivided Families in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
4. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to compliance with applicable laws. NRIs, other than Eligible NRIs, are not permitted to participate in this Issue;
5. FIIs and their Sub-Accounts;
6. State Industrial Development Corporations;
7. Insurance companies registered with the Insurance Regulatory and Development Authority, India;

8. NIF;
9. Provident Funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in equity shares;
10. Pension funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in equity shares;
11. Companies, corporate bodies and societies registered under applicable laws in India and authorised to invest in equity shares;
12. VCFs;
13. FVCIs;
14. Mutual Funds;
15. Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI Guidelines and regulations, as applicable);
16. Multilateral and bilateral development financial institutions;
17. Trusts registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorised under their constitution to hold and invest in equity shares; and
18. Scientific and/or industrial research organisations in India authorised to invest in equity shares.

As per existing regulations, OCBs and sub-accounts of FIIs which are foreign corporates or foreign individuals cannot Bid in the Issue.

Participation by Associates/Affiliates of the BRLMs and Syndicate Members

Associates/affiliates of BRLMs and Syndicate Members may Bid and subscribe to Equity Shares in the Issue either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such investors. Such Bidding and subscription may be on their own account or on behalf of their clients. Allotment to all investors including associates/affiliates of BRLMs and Syndicate Members shall be on a proportionate basis.

However, the BRLMs and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation.

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.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 2,738,415 Equity Shares, allocation shall be made to Mutual Funds on a proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

In the case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

In accordance with current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry-specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

Bids by Eligible NRIs

Bid cum Application Forms have been made available for Eligible NRIs at the Registered Office and with members of the Syndicate.

Eligible NRI Bidder should note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for Allotment under the Eligible NRI category. The Eligible NRIs who intend to make payment through the NRO Account shall use the Bid cum Application form meant for Resident Indians (white form).

Bids by FIIs

In accordance with the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (i.e. 10% of 590,900,000 Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its Sub-Accounts, the investment on behalf of each Sub-Account shall not exceed 10% of our total issued capital As of now, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. The said 24% limit can be increased up to 100% by passing a resolution by the Board followed by passing a special resolution to that effect by the shareholders of our Company. Our Company has not obtained board or shareholders approval to increase the FII limit to more than 24%.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the SEBI (Foreign Institutional Investor) Regulations, 1995, an FII or its Sub-Account may issue, deal or hold, off shore derivative instruments such as "Participatory Notes", equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or Sub-Account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Associates and affiliates of the Underwriters, including the BRLMs, that are FIIs or its Sub-Account may issue offshore derivative instruments against Equity Shares allocated to them in the Issue.

Bids by SEBI-registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996, as amended and the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. For example, the holding by any individual VCF should not exceed 25% of the corpus of the VCF in one venture capital undertaking. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

Pursuant to the SEBI Guidelines, the shareholding of SEBI-registered VCF and FVCI held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft prospectus with SEBI.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company, the Selling Shareholders and the BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. Where the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to Bid at Cut-off Price, the Bid would be considered for

allocation under the Non-Institutional Portion. The Cut-off Price option is given only to Retail Individual Bidders where the Bid Amount does not exceed Rs. 100,000 indicating their agreement to the Bid and to purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

b) **For Non-Institutional Bidders and QIB Bidders:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and is a multiple of [●] Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them under applicable laws. **Under the SEBI Guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the QIB Margin Amount upon submission of the Bid.**

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 Non-Institutional Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders are not allowed to Bid at the Cut-off Price.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Refund amounts following a permitted withdrawal or rejection of a Bid shall be paid in the manner described under paragraph "Payment of Refund" on page 253.

Information for the Bidder:

1. Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

2. Our Company and the BRLMs will declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and one Bengali regional newspaper, each with wide circulation.

3. The members of the Syndicate will circulate copies of the Bid cum Application Form to potential investors respectively, and at the request of potential investors, copies of the Red Herring Prospectus. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from the Registered Office or from any of the members of the Syndicate.

4. Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs, Syndicate Members or their authorised agent(s), as applicable to register their Bids. ASBA Bidders should approach the SCSBs to register their Bids.

5. The Bids should only be submitted on the prescribed Bid cum Application Form. Bid cum Application Forms should bear the stamp of the member of the Syndicate. Bid cum Application Forms which do not bear the stamp of a member of the Syndicate will be rejected.

6. The Price Band has been fixed at Rs. [•] to Rs. [•] per Equity Share. The Bidders can Bid at any price within the Price Band, in multiples of [•] Equity Shares. In accordance with the SEBI Guidelines, our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding/Issue Period. The cap on the Price Band will not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

7. In case the Price Band is revised, the Bidding/Issue Period shall be extended, by an additional three days, subject to the total Bidding/Issue Period not exceeding 10 Business Days. The revised Price Band and Bidding/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, and by publishing in two national newspapers (one each in English and Hindi) and one Bengali regional newspaper, with wide circulation in the place where our Registered Office is situated and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

8. Our Company, in consultation with the BRLMs, shall finalise the Issue Price within the Price Band, without the prior approval of, or intimation to, the Bidders.

Method and Process of Bidding

1. Our Company and the BRLMs shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date and Price Band in the Red Herring Prospectus to be filed with the RoC and also publish the same in two circulated national newspapers (one each in English and Hindi) and one Bengali regional newspaper, each with wide circulation in the place where our Registered Office is situated. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall contain the disclosure requirements as specified under Schedule XX-A of the SEBI Guidelines. The BRLMs and Syndicate Members shall accept Bids from the Bidders during the Bidding/Issue Period in accordance with the terms of the Syndicate Agreement.

2. The Bidding/Issue Period shall be for a minimum of three Business Days and shall not exceed seven Business Days. In case the Price Band is revised, the revised Price Band and Bidding/Issue Period will be published in two national newspapers (one each in English and Hindi) and one Bengali regional newspaper, each with wide circulation and also by indicating the change on the website of the BRLMs and at the terminals of the members of the Syndicate. The Bidding/Issue Period shall be extended by an additional three Business Days, subject to the total Bidding/Issue Period not exceeding 10 Business Days.

3. Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph "Bids at Different Price Levels") within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.

4. The Bidder cannot Bid on another Bid cum Application after Bid(s) on one Bid cum Application Form have been submitted to any member of the Syndicate or a SCSB, respectively. Submission of an additional Bid cum Application Form to either the same or to another member of the Syndicate or any SCSB will be treated as multiple Bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point in time before the Allotment. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Build up of the Book and Revision of Bids" on page 241.

5. The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

6. During the Bidding/Issue Period, Bidders may approach the members of the Syndicate to submit their Bids. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

7. Along with the Bid cum Application Form, as applicable, all Bidders will make payment in the manner described under the paragraph "Terms of Payment and Payment into the Escrow Accounts" on page 239.

Bids at Different Price Levels and Revision of Bids

1. The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share, Rs. [●] being the Floor Price and Rs. [●] being the Cap Price.

2. Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with the SEBI Guidelines. The cap on the Price Band will not be more than 120% 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.

3. The Bidding/Issue Period shall be for a minimum of three Business Days and not exceeding seven Business Days. In case of a revision of the Price Band, the Bidding/Issue Period shall be extended for three additional Business Days, subject to a maximum of 10 Business Days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice in two widely circulated national newspapers (one each in English and Hindi) and one Bengali regional newspaper, each with a wide circulation, and also by indicating the change on the website of the BRLMs and at the terminals of the members of the Syndicate.

4. Our Company, in consultation with the BRLMs, shall finalise the Issue Price within the Price Band without the prior approval of, or intimation to, the Bidders.

5. The Bidder can Bid at any price within the Price Band in multiples of Re.1 (Rupee One). The Bidder has to Bid for the desired number of Equity Shares at a specific price.

   Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding up to Rs. 100,000 may Bid at the Cut-off Price. However, Bidding at the Cut-off Price is prohibited for QIB Bidders or Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and such Bids from QIB Bidders and Non-Institutional Bidders shall be rejected.

6. Retail Individual Bidders who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders Bidding at the Cut-off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Accounts. In the event that the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-Off Price, such Bidder shall receive the refund of the excess amounts from the Escrow Accounts in the manner described under the paragraph "Payment of Refund" on page 253.

7. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had Bid at the Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher cap of the revised Price Band (such that the total amount i.e., the original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at the Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. In case of Retail Individual Bidders who do not revise the Bid or make additional payment, where the Issue Price is higher than the cap of the Price Band before revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from such Bidder and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding would be refunded from the Escrow Accounts. In case of downward revision in the Price Band, the number of Equity Shares Bid for shall be adjusted upwards to the higher Bid lot for the purpose of Allotment.

9. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size and the Bid lot shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

Escrow Mechanism

Our Company, the Selling Shareholders and the members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks for collection of application money. The Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid in favour of the payee detailed under the section titled "Payment into Escrow Accounts" on page 248. Cheques or demand drafts received for the full Bid Amount from Bidders in a particular category would be deposited in the Escrow Accounts. The Escrow Collection Banks will act in terms of the Red Herring Prospectus, the Prospectus and the Escrow Agreement. The monies in the Escrow Accounts shall be maintained by the Escrow Collection Banks for and on behalf of the Bidders. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Accounts to the Public Issue Account and the Refund Account as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between us, 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 pay the applicable Margin Amount with the submission of the Bid cum Application Form, draw a cheque or demand draft in favour of the Escrow Accounts of the Escrow Collection Bank(s) (see the section titled "Issue Procedure - Payment Instructions" on page 248) and submit such cheque or demand draft to the member of the Syndicate to whom the Bid is being submitted. The Bidder may also provide the applicable Margin Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide their QIB Margin Amount only to a BRLM. Bid cum Application Forms accompanied by cash/stockinvest/money order shall not be accepted. The Margin Amount based on the Bid Amount has to be paid at the time of submission of the Bid cum Application Form.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Accounts, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account of our Company shall be transferred to the Refund Account on the Designated Date.

Each category of Bidders, i.e., QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned under the heading "Issue Structure" on page 229. 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 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. If the payment is not made favouring the Escrow Accounts within the time stipulated above, the Bid of the Bidder is liable to be rejected. 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 a lesser number of Equity Shares than he or she had Bid for, the excess amount paid on Bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which our Company shall pay interest according to the provisions of the Companies Act for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

1. The members of the Syndicate will register the Bids using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city where a stock exchange is located in India and where Bids are being accepted.

2. The NSE and the BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents during the Bidding/Issue Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate and SCSBs shall upload the Bids until such time as may be permitted by the Stock Exchanges.

3. The aggregate demand and price for Bids registered on electronic facilities of the NSE and the BSE will be uploaded on a regular basis, consolidated and displayed on-line at all Bidding centres as well as on the NSE's website at www.nseindia.com and on the BSE's website at www.bseindia.com. A graphical representation of consolidated demand and price will be made available at the bidding centres during the Bidding/Issue Period.

4. 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 Bidder(s). Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form;

   - Investor category—Individual, Corporate, QIBs, Eligible NRI, FVCI, FII or Mutual Fund, etc.;

   - Numbers of Equity Shares Bid for;

   - Bid price;

   - Bid cum Application Form number;

   - Margin Amount paid-upon submission of Bid cum Application Form; and

   - Depository Participant identification number and client identification number of the demat account of the Bidder.

5. A system-generated TRS will be given to the Bidder as proof of the registration of each of the Bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or SCSBs as applicable. The registration of the Bid by the member of the Syndicate or SCSB does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate, SCSBs or our Company.

6. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

7. In the case of QIB Bidders, members of the Syndicate also have the right to accept the Bid or reject the Bid. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed in this Draft Red Herring Prospectus.

8. The permission given by the NSE and the BSE to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLMs are cleared or approved by the NSE and the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and

other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Promoters, the management or any scheme or project of our Company.

9. It is also to be distinctly understood that the approval given by the NSE and the BSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by the NSE or the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE and the BSE.

Build Up of the Book and Revision of Bids

1. Bids registered by various Bidders through the members of the Syndicate or SCSBs shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.

2. The book gets built up at various price levels. This information will be available from the BRLMs on a regular basis.

3. During the Bidding/Issue Period, any Bidder who has registered his or her 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.

4. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. The Bidder must complete the details of all the options in the Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still complete all the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

5. The Bidder can make this revision any number of times during the Bidding/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom the original Bid was placed.

6. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only on such Revision Form or copies thereof.

7. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus. In the case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft or electronic transfer of funds through RTGS for the incremental amount in the QIB Margin, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

8. When a Bidder revises a Bid, the Bidder shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request and obtain the revised TRS, which will act as proof of revision of the original Bid.**

9. Only Bids that are uploaded on the online IPO system of the NSE and the BSE shall be considered for allocation/Allotment. In the event of a discrepancy of data between the Bids registered on the online IPO system and the physical Bid cum Application Form, the decision of the BRLMs and the Designated Stock Exchange, based on the physical records of Bid cum Application Forms shall be final and binding on all concerned.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the BRLMs shall analyze the demand generated at various price levels.

2. Our Company, in consultation with the BRLMs, shall finalise the Issue Price.

3. The Allotment to QIBs will be at least 60% of the Issue, on a proportionate basis and the availability for allocation to Non-Institutional and Retail Individual Bidders will be not less than 10% and 30% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Guidelines and this Draft Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Issue cannot be allotted to QIBs then the entire application money will be refunded.

4. In case of over-subscription in all categories, at least 60% of the Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be reserved for Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIBs in proportion to their Bids.

   Under-subscription, if any, in the Retail and Non-Institutional categories, would be allowed to be met with spill-over from any other category or combination of categories at the sole discretion of our Company and Selling Shareholders, in consultation with the BRLMs. However, if the aggregate demand by Mutual Funds is less than 2,738,415 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the QIB Portion and be allotted proportionately to the QIB Bidders.

5. Allotment to Eligible NRIs, FIIs, Sub-Accounts, or Mutual Funds or FVCIs will be subject to applicable laws, rules, regulations, guidelines and approvals.

6. Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment, without assigning any reason thereof.

7. In terms of the SEBI Guidelines, QIBs shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

8. Our Company, in consultation with the BRLMs, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids made by QIBs, if any, will be made at the time of submission of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing.

Interest in Case of Delay in Dispatch of Allotment Letters/ Refund Orders or Instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 15 (fifteen) days from the Bid/ Issue Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or ECS, shall be done within 15 days from the Bid/Issue Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 15 (fifteen) days of the Bid/Issue Closing Date.
- It shall pay interest at 15% p.a. if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 (fifteen) days from the Bid/Issue Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 15 days of the Bid/Issue Closing Date.

Our Company and the Selling Shareholders 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 the Escrow Collection Banks and payable at par at places where Bids are received, except where the refund or portion thereof is made in electronic mode/manner. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Signing of Underwriting Agreement and RoC Filing

(a) Our Company, the Selling Shareholders, the BRLMs and the Syndicate Members may enter into an Underwriting Agreement upon finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, our Company will update and file the Red Herring Prospectus with RoC, which then will be termed "Prospectus". The Prospectus will have details of the Issue Price, Issue size, underwriting arrangements and will be complete in all material respects.

Filing of the Red Herring Prospectus and the Prospectus with the RoC

We will file a copy of the Red Herring Prospectus and the Prospectus with the RoC in terms of sections 56, 60 and 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to section 66 of the Companies Act, our Company shall, after receiving final observations, if any, on this Draft Red Herring Prospectus from the SEBI, publish an advertisement, in the form prescribed by the SEBI Guidelines, in two circulated national newspapers (one each in English and Hindi) and one Bengali regional newspaper, each with wide publication.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the date of the Red Herring Prospectus and the Prospectus shall be included in such statutory advertisement.

Issuance of 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 Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or before the approval of the basis of allocation for the Retail Individual Bidders and Non-Institutional Bidders. However, the investor should note that our Company shall ensure that demat credit of Equity Shares to all investors in this Issue is completed within two Business Days from the date of Allotment.

(b) The BRLMs, the members of the Syndicate or the Registrar to the Issue, as the case may be, will then send a CAN to their Bidders who have been allocated Equity Shares in the Issue.

(c) Bidders who have been allocated Equity Shares and who have already paid into the Escrow Accounts at the time of Bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Accounts.

(d) In case of QIB Bidders, 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 Bid Amount in full into the Escrow Accounts at the time of Bidding shall pay in full the amount payable into the Escrow Accounts by the Pay-in Date specified in the CAN. The issuance of a CAN is subject to "Notice to QIBs: Allotment Reconciliation and Revised CANs" as set forth below.

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. Based on the electronic book, QIBs will be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject *inter alia* to the approval of the Basis of Allotment by the Designated Stock Exchange. Subject to the SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt/availability 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, one or more revised CAN(s) may be sent to QIBs and the allocation of Equity Shares in such revised CAN(s) may be different from that specified in the earlier CAN(s). QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN(s), 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. Any revised CAN, if issued, will supersede in its entirety the earlier CAN.

Designated Date and Allotment

(a) Our Company will ensure that the Allotment is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Accounts to the Public Issue Account and the Refund Account, our Company will ensure the credit to the successful Bidder(s) depository account. Allotment of the Equity Shares to the successful Bidders shall be within 15 days from the Bid/Issue Closing Date.

(b) As per Section 68B of the Companies Act, Allotment of the Equity Shares will be only in dematerialised form to the allottees.

(c) Successful Bidders will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

GENERAL INSTRUCTIONS

DOs:

(a) Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of the Red Herring Prospectus;

(b) Ensure that you Bid within the Price Band;

(c) Read all the instructions carefully and complete the Bid cum Application Form;

(d) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be Allotted in dematerialised form only;

(e) Ensure that you have collected a TRS for all your Bid options;

(f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(g) Each of the Bidders, should mention their PAN allotted under the IT Act;

(h) Ensure that the 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. Where 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; and

(i) Ensure that the Demographic Details (as defined in the section titled "Issue Procedure – Bidder's Depository Account and Bank Account Details" on page 246) are updated, true and correct in all respects.

DON'Ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/revise Bid to a price that is less than the Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid amount in cash, 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;

(f) Do not Bid at the Cut-off Price (for QIB Bidders and Non-Institutional Bidders for whom the Bid Amount exceeds Rs. 100,000);

(g) Do not Bid such that such that the number of Equity Shares Bid for exceeds the Issue size and/or the investment limit or the maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;

(h) Do not Bid at Bid Amount exceeding Rs. 100,000 for in case of a Bid by a Retail Individual Bidder;

(i) Do not submit the Bid without the QIB Margin Amount, in the case of a Bid by a QIB; and

(j) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bids and Revisions of Bids for all Bidders

Bids and revisions of Bids must be:

1. Made only on the prescribed Bid cum Application Form or Revision Form, as applicable (white, or blue).

2. Made in a single name or in joint names (not more than three, and in the same order as their Depository Participant details).

3. Completed in full, in BLOCK LETTERS in English and in accordance with the instructions contained herein, on the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

4. Bids from the Retail Individual Bidders must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.

5. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them does not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws and regulations.

6. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of the 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, demographic details of the Bidders such as their address, PAN, occupation and bank account details (hereinafter referred to as "Demographic Details") for printing on refund orders or giving credit through ECS, RTGS or Direct Credit. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders' sole risk and neither the BRLMs, our Company nor the Selling Shareholders shall have any responsibility or undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details on the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN 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 ON THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IF THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND SUCH JOINT NAMES ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR ON THE BID CUM APPLICATION FORM.

These Demographic Details will be used for all correspondence with the Bidders including mailing of the refund orders/ECS credit for refunds/direct credit of refund/CANs/allocation advice/NEFT or RTGS for refunds and printing of Company particulars on the refund order. The Demographic Details given by Bidders in the Bid cum Application Form will not be used for any other purposes by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder will be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice/CAN would be mailed to the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure re-dispatch of refund orders. Please note that any such delay shall be at the Bidder's sole risk and neither our Company, the Selling Shareholders, Escrow Collection Bank(s), the BRLMs nor the Registrar to the Issue shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or pay any interest for such delay. **In case of refunds through electronic modes as detailed in this Draft Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars or the MICR code obtained from the Depository Participant are incorrect or incomplete.**

Where no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidder's (including the order of names of joint holders), the Depository Participant's identity and the beneficiary's identity, then such Bids are liable to be rejected.

Bids by Non-Residents, including Eligible NRIs, FIIs and FVCIs on a repatriation basis

Bids and revision to the Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).

3. Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation. Other Non-Resident Bidders must Bid for a minimum of such number of Equity Shares and in multiples of [•] that the Bid Amount exceeds Rs. 100,000. For further details, see the section titled "Issue Procedure - Maximum and Minimum Bid Size" on page 235.

4. In the names of individuals, or in the names of FIIs, FVCIs, etc but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only, 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 U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE Accounts, details of which are received from the Depositories as part of the demographic details of the First Bidder/ sole Bidder. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non-Residents, including Eligible NRIs, FIIs and FVCIs and all Non-Residents will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the GoI, OCBs cannot participate in this Issue. Further, NRIs, who are not Eligible NRIs and sub-accounts of FIIs which are foreign corporates or foreign individuals, are not permitted to participate in this Issue.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-Issue paid-up capital of our Company. 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.

With the approval of the board of directors and the shareholders by way of a special resolution, the aggregate FII holding limit may be increased to 100%.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15(A)(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its Sub-Account may issue, deal or hold, offshore 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 or Sub-Account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a

certified copy of the memorandum and articles of association and/or bye laws must be lodged along with the Bid cum Application Form as applicable. Failing this, our Company reserves the right to reject such Bids in whole or in part without assigning reasons thereof.

In case of the Bids made pursuant to a power of attorney by FIIs, FVCIs, VCFs and Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bid in whole or in part without assigning reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company/the BRLMs may deem fit without assigning reasons thereof.

Bids made by Insurance Companies

In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bids in whole or in part without assigning reasons thereof.

Bids made by Provident Funds

In case of the Bids made by provident funds, subject to applicable law, with minimum corpus of Rs. 250 million 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.

PAYMENT INSTRUCTIONS

Our Company shall open Escrow Accounts with the Escrow Collection Banks for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue. Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Accounts

1. The Bidders for whom the applicable margin 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 Accounts and submit the same to the members of the Syndicate.

2. Where the above Margin Amount paid by the Bidders during the Bidding/Issue 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 Accounts within the period specified in the CAN.

3. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for applicable margin amount for the Bid Amount in favour of the Escrow Accounts and submit the same to the members of the Syndicate. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

    (a) In the case of Resident QIB Bidders: "Escrow Account— GEECL—Public Issue—QIB-R".

    (b) In the case of Non-Resident QIB Bidders: "Escrow Account— GEECL —Public Issue—QIB-NR".

    (c) In the case of Resident Retail and Non-Institutional Bidders: "Escrow Account— GEECL —Public Issue—R".

(d) In the case of Non-Resident Retail and Non-Institutional Bidders: "Escrow Account— GEECL — Public Issue—NR".

4. In the case of Bids by Eligible NRIs applying on a repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of NRO Account of the Non-Resident Bidder Bidding on a repatriation basis. Payment by draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a NRE Account or a FCNR Account.

5. In the case of Bids by Eligible NRIs applying on a non-repatriation basis, the payments must be made by Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application, remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an 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 a FCNR or an NRO Account.

6. In case of Bids by FIIs and FVCIs the payment should be made out of funds held in a special rupee account along with documentary evidence in support of the remittance. Payment by draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a special rupee account.

7. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on Bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account.

8. The monies deposited in the Escrow Accounts will be held for the benefit of the Bidders until the Designated Date.

9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Public Issue Account.

10. No later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

11. **Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/stockinvest/money orders/postal orders will not be accepted.**

12. Bidders are advised to mention the number of application form on the reverse of the cheque / demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.

13. In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

Payment by Stockinvest

Under the terms of the RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Accordingly, payment through Stockinvest will not be accepted in this Issue.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Forms or Revision Forms. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all refund payments will be made in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. The PAN of the first/sole Bidder as furnished in the Bid cum Application Form or as recorded with the Depositories shall be the criteria to identify multiple Bids.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Funds and such Bids in respect of more than one scheme of the Mutual Funds will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

Our Company, in consultation with the BRLMs, reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number

The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

Right to reject Bids by our Company

In case of QIB Bidders, our Company, in consultation with the BRLMs, may reject Bids provided that the reason for rejecting the Bid shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company will have a right to reject Bids based on technical grounds only. Consequent refunds shall be made as described in this Draft Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on, *inter alia*, the following technical grounds:

1. Amount paid is less than the amount payable for the highest value of Equity Shares Bid for;

2. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

3. Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors and insane persons;

4. PAN not stated, or GIR number furnished instead of PAN;

5. Bids for lower number of Equity Shares than specified for that category of investors;

6. Bids at a price less than the lower end of the Price Band;

7. Bids at a price more than the higher end of the Price Band;

8. Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;

9. Bids for a number of Equity Shares, which are not in multiples of [●];

10. Category not ticked;

11. Multiple Bids;

12. In the case of a Bid under power of attorney or by limited companies, corporates, trusts etc., relevant documents are not submitted;

13. Bids accompanied by money order/postal order/cash;

14. Signature of sole and/or joint Bidders missing;

15. Bid cum Application Form does not have the stamp of the BRLMs or the Syndicate Members;

16. Bid cum Application Form does not have the Bidder's depository account details;

17. Bid is not registered within the time prescribed and as per the instructions in the Bid cum Application Form;

18. 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 Depository Participant's identity (DP ID) and the beneficiary account number;

19. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

20. Bids by QIBs not submitted through members of the Syndicate;

21. Bids by OCBs;

22. Bids by U.S. residents excluding "Qualified Institutional Buyers" as defined in Rule 144A under the Securities Act or other than in reliance on Regulation S under the Securities Act;

23. Bids by persons who are not eligible to acquire Equity Shares under any applicable law, rule, regulation, guideline or approval, inside India or outside India;

24. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

25. Bids by any person outside India if not in compliance with applicable foreign and Indian Law;

26. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

27. Bids not uploaded in the Book;

28. Bids or revision thereof by QIB Bidders and Non – Institutional Bidders where the Bid amount is in excess of Rs. 100,000, uploaded after 3.00 p.m or any such time as prescribed by Stock Exchange on the Bid / Issue closing Date;

29. Bids which do not comply with securities laws at their specific jurisdictions.

Equity Shares in Dematerialised form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialised form (i.e., not in the form of physical certificates but fungible statements issued in electronic mode).

In this context, two tripartite agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

(a) an agreement dated March 11, 2005 among NSDL, our Company and the Registrar to the Issue; and

(b) an agreement dated [●], 2009 among CDSL, our Company and the Registrar to the Issue.

Bidders will be allotted Equity Shares only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

1. A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.

2. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing on the Bid cum Application Form and Revision Form.

3. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

4. Names in the Bid cum Application Form, Bid Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.

5. If incomplete or incorrect details are given under the heading "Bidders Depository Account Details' in the Bid cum Application Form or Bid Revision Form, it is liable to be rejected.

6. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form or vis-à-vis those recorded with his or her Depository Participant.

7. Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

8. The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid cum Application Form number or ASAB number, details of Depository Participant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of

the member of the Syndicate or SCSB where the Bid was submitted and cheque or draft number and issuing bank thereof.

PAYMENT OF REFUND

Bidders should note that on the basis of the 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 Bidder's bank account details including a nine digit MICR code. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Bidders, as the case may be, at the Bidder's sole risk and neither our Company, the Syndicate Members, the Escrow Collection Banks, the BRLMs nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following 68 centres: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned 68 centres.

2. NEFT - Payment of refund may be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code ("IFSC"), which can be linked to a MICR code, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as at a date immediately prior to the date of payment of refund, duly mapped with MICR code of the Bidder's bank. Wherever the applicants have registered the nine digit MICR code of the branch of the bank where they are having their account and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method.

3. Direct Credit—Applicants having their bank account with the Refund Banker shall be eligible to receive refunds, if any, through direct credit. Charges, if any, levied by the Refund Bank(s) for the same will be borne by our Company.

4. RTGS—Where the refund amount exceeds Rs. 1.0 million, the same shall be remitted through RTGS provided the Bidder has given details of the IFSC, type of account and account number of the branch where the account is maintained, in the Bid cum Application Form in the space provided for the same. Charges, if any, levied by the applicant's bank receiving the credit will be borne by the applicant.

5. For all the other applicants, including applicants who have not updated their bank particulars along with the nine-digit MICR Code, the refund orders will be dispatched "Under Certificate of Posting" for refund orders

of value up to Rs. 1,500 and through Speed Post/Registered Post for refund orders of Rs. 1,500 and above. Refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banker(s) which shall be payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Interest on refund of excess Bid Amount

Our Company shall pay interest at the rate of 15% p.a. on the excess Bid Amount received if refund orders are not dispatched or if instructions to SCSBs are not issued for unblocking ASBA Accounts within 15 days of the Bid/Issue Closing Date for any delay beyond such 15 day time period.

DISPOSAL OF APPLICATIONS AND APPLICATIONS MONEY AND INTEREST IN CASE OF DELAY

Our Company shall ensure dispatch of Allotment advice, transfer advice or refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within 15 days of the Bid/Issue Closing Date. Our Company shall dispatch refunds above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk, except for refunds through the ECS facility or RTGS or Direct Credit.

Our Company shall use its best efforts to ensure that all steps for completion of the necessary formalities for Allotment and trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within seven Business Days of the finalisation of the Basis of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, we further undertake that:

- Allotment and transfer only in dematerialised form shall be made within 15 days of the Bid/Issue Closing Date;
- Dispatch refund orders, except for Bidders who are eligible to receive refunds through the ECS facility, shall be made within 15 days of the Bid/Issue Closing Date;
- Instructions to SCSBs for unblocking ASBA Accounts shall be issued within 15 days of the Bid/Issue Closing Date; and
- Our Company shall pay interest at 15% p.a. for any delay beyond the 15 day time period as mentioned above, if Allotment is not made or, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the Refund Banker(s) in the disclosed manner, and/or demat credits are not made to investors within the 15 day time period prescribed above or if instructions to SCSBs for unblocking ASBA Accounts are not issued within 15 days of the Bid/Issue Closing Date.

Our Company and the Selling Shareholders will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Save and except for refunds effected through the electronic mode, i.e., ECS, NEFT, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as a Refund Banker which shall be payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years".

ALLOTMENT

Basis of Allotment

A. For Retail Individual Bidders

- Bids received from Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.

- The Issue size less Allotment to Non-Institutional Bidders and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the valid Bids in this portion are less than or equal to 27,384,150 Equity Shares at or above the Issue Price, full Allotment shall be made to Retail Individual Bidders to the extent of their valid Bids.

- If the valid Bids in this portion are greater than 27,384,150 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis of not less than [●] Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the valid Bids in this portion are less than or equal to 9,128,050 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their valid Bids.

- If the valid Bids in this portion are greater than 9,128,050 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis of not less than [●] Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

C. For QIB Bidders

- Bids received from QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to QIB Bidders will be made at the Issue Price.

- The QIB Portion shall be available for allocation to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:

(i) If Bids from Mutual Funds exceed 5% of the QIB Portion, allocation to Mutual Funds shall be made on a proportionate basis of not less than [●] Equity Shares and in multiples of one Equity Share thereafter up to 5% of the QIB Portion.

(ii) If 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 to QIB Bidders as set out in (b) below.

(b) In the second instance allocation to all Bidders shall be determined as follows:

(i) In the event of an 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 of not less than [●] Equity Shares and in multiples of one Equity Share thereafter 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 of not less than [●] Equity Shares and in multiples of one Equity Share thereafter along with other QIB Bidders.

(iii) Under-subscription below 5% of the Mutual Fund Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

The BRLMs, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI Guidelines. The drawing of lots (where required) to finalise the Basis of Allotment shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

Procedure and Time of Schedule for Allotment and demat Credit of Equity Shares

The Issue will be conducted through a "100% Book Building Process" pursuant to which the members of the Syndicate will accept Bids for the Equity Shares during the Bidding/Issue Period. The Bidding/Issue Period will commence on [●], 2009 and expire on [●], 2009. Following the expiration of the Bidding/Issue Period, our Company, in consultation with the BRLMs, will determine the Issue Price, and, in consultation with the BRLMs and the Selling Shareholders, the basis of allocation and entitlement to Allotment based on the Bids received and subject to confirmation by the Designated Stock Exchange. Successful bidders will be provided with a confirmation of their allocation (subject to a revised confirmation of allocation) and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The SEBI Guidelines require our Company to complete the Allotment to successful bidders within 15 calendar days of the expiration of the Bidding/Issue Period. The Equity Shares will then be credited and Allotted to the investors' demat accounts maintained with the relevant Depository Participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

Method of proportionate Basis of Allotment

In the event the Issue is oversubscribed, the Allotment shall be as per the basis of allocation approved by the Designated Stock Exchange. The executive director or managing director of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a

fair and proper manner. Allotment to Bidders shall be made in marketable lots on a proportionate basis as explained below:

(a) Bidders will be categorised according to the number of Equity Shares applied for by them.

(b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the oversubscription ratio.

(c) The number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the oversubscription ratio.

(d) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the market lot), the decimal will be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it will be rounded off to the lower whole number. Allotment to all Bidders in such categories shall be arrived at after such rounding off.

(e) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:

- Each successful Bidder shall be Allotted a minimum of [●] Equity Shares; and
- The successful Bidders out of the total Bidders for a portion shall be determined by the drawing of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (c) above; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that portion, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance of Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for the minimum number of Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

Issue details

Particulars	Issue details
Issue size	200 million Equity Shares
Allocation to QIB (at least 60% of the Issue)	120 million Equity Shares
Of which:	
a. Reservation For Mutual Funds, (5%)	6 million Equity Shares
b. Balance for all QIBs including Mutual Funds	114 million Equity Shares
Number of QIB applicants	10
Number of Equity Shares applied for	500 million Equity Shares

Details of QIB Bids

S. No.	Type of QIBs	No. of shares bid for (in million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40

S. No.	Type of QIBs	No. of shares bid for (in million)
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
11.	**Total**	**500**

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* *A1-A5: (QIBs other than Mutual Funds), MF1-MF5 (QIBs which are Mutual Funds)*

Details of Allotment to QIBs Applicants

Type of QIB	Shares bid for	Allocation of 5% Equity Shares	Allocation of 95% Equity Shares	Aggregate allocation to Mutual Funds
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
	(Number of equity shares in million)			
A1	50	0	11.52	0
A2	20	0	4.60	0
A3	130	0	29.94	0
A4	50	0	11.52	0
A5	50	0	11.52	0
MF1	40	1.2	8.97	9.68
MF2	40	1.2	8.97	9.68
MF3	80	2.4	17.96	20.36
MF4	20	0.6	4.49	5.09
MF5	20	0.6	4.49	5.09
	500	**6**	**114**	**49.99**

Notes:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section titled "Issue Structure" on page 229.

2. Out of 120 million Equity Shares allocated to QIBs, 6 million (i.e., 5%) will be Allotted on a proportionate basis among five Mutual Fund applicants who applied for 200 million Equity Shares in the QIB Portion.

3. The balance 114 million Equity Shares i.e., 120 - 6 (available for Mutual Funds only) will be Allotted on a proportionate basis among 10 QIB Bidders who applied for 500 million Equity Shares (including 5 Mutual Fund applicants who applied for 200 million Equity Shares).

4. The figures in the fourth column entitled "Allocation of balance 114 million Equity Shares to QIBs proportionately" in the above illustration are arrived at as explained below:

   For QIBs other than Mutual Funds (A1 to A5) = Number of Equity Shares Bid for × 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) × 114/494

   The numerator and denominator for arriving at the allocation of 114 million Equity 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.

Undertakings by our Company

Our Company undertakes as follows:

- that complaints received in respect of this Issue shall be dealt with expeditiously and satisfactorily;

- that it shall be ensured that dispatch of share certificates/refund orders and demat credit is completed and the allotment and listing documents shall be submitted to the Stock Exchanges within two Business Days of the date of Allotment;

- that 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 Business Days of finalisation of the Basis of Allotment;

- that our Company shall apply in advance for the listing of Equity Shares;

- that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- that the refund orders or Allotment advice to the Non-Resident Bidders shall be dispatched within the specified time;

- no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus and the Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and

- that adequate arrangements shall be made to collect all ASBA Forms and all ASBA shall be considered similar to other applications while finalizing the Basis of Allotment.

Undertakings by the Selling Shareholders:

The Selling Shareholders undertake the following:

- that the Equity Shares being sold or the GDRs being converted into Equity Shares and being sold, as the case may be, pursuant to the Offer for Sale have been held by it for a period of more than one year and the Equity Shares are free and clear of all liens or encumbrances and shall be transferred to the successful Bidders within the specified time;

- it shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges have been obtained;

- that the Equity Shares being sold pursuant to the Offer for Sale are free and clear of any liens or encumbrances, and shall be transferred to the successful Bidders within the specified time;

- that the complaints received in respect of this Issue shall be attended to by the Selling Shareholders expeditiously and satisfactorily. The Selling Shareholders have authorised the Compliance Officer and the Registrar to the Issue to redress complaints, if any, of the investors;

- that 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 Business Days of finalisation of the Basis of Allotment;

- that the funds required for dispatch of refund orders or Allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by the Selling Shareholders; and

- that the refund orders or Allotment advice to all the successful Bidders shall be dispatched within specified time.

Utilisation of Fresh Issue proceeds

The Board of Directors certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in section 73(3) of the Companies Act;

- details of all monies utilised out of the Fresh Issue shall be disclosed under an appropriate heading in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

- details of all unutilised monies out of the Fresh Issue, if any, shall be disclosed under the appropriate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested; and

- our Company shall not have recourse to the proceeds of the Fresh Issue and the Selling Shareholders shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges have been obtained.

ISSUE PROCEDURE FOR ASBA BIDDERS

SEBI, by its circular dated July 30, 2008, introduced a new mode of payment in public issues i.e., application supported by blocked amount wherein the application money remains in the ASBA Account until allotment in the public issue. Mode of payment through ASBA became effective on September 1, 2008. Since this is a new mode of payment, set forth below is the procedure for Bidding under the ASBA procedure, for the benefit of the Bidders.

This section is only to facilitate better understanding of aspects of the procedure for bidding which is specific to ASBA Bidders. ASBA Bidders should nonetheless read this document in entirety

Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Form is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSBs for the ASBA Process are provided at http://www.sebi.gov.in/pmd/scsb.pdf. For details on designated branches of SCSB collecting the ASBA Form, please refer the above mentioned SEBI link.

ASBA Process

A resident Retail Individual Bidder can submit his Bid through an ASBA Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Bid Amount in the ASBA Account specified in the ASBA Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Who can Bid?

In order to be eligible to apply under the ASBA process, a Bidder has to satisfy the following conditions:

a. The Bidder should be a Retail Individual Bidder;

b. The Bidder should be a person resident in India as defined in the FEMA;

c. The Bid should be made through the blocking of funds in a bank account with the SCSBs;

d. The Bidder should Bid only at Cut-off Price indicating their agreement to purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process;

e. The Bidder should Bid with only a single option as to the number of Equity Shares; and

f. The Bidder should agree not to revise his Bids

ASBA Form

An ASBA Bidder shall use the ASBA Form obtained from the Designated Branches of the SCSBs for the purpose of making a Bid in terms of the Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. For further information on how to complete ASBA Forms, see the section titled "Instructions for Completing the ASBA Form" on page 267.

- The ASBA Bidders can submit only one Bid option in the ASBA Form which shall be at Cut-off Price. After determination of the Issue Price, the number of Equity Shares Bid for by the ASBA Bidders will be considered for allocation along with the other Retail Individual Bidders who have Bid for the Equity Shares at or above the Issue Price or at the Cut-off Price.

- In the ASBA Form, the ASBA Bidder shall, *inter alia,* give the following confirmations/declarations:

  a. That he/she is an ASBA Bidder as per the SEBI Guidelines;

  b. That he/she has authorized the SCSBs to do all acts as are necessary to make an application in the Issue, upload his/her Bid, block or unblock the funds in the ASBA Account and transfer the funds from the ASBA Account to the Public Issue Account after finalization of the Basis of Allotment entitling the ASBA Bidder to receive Equity Shares in the Issue etc.; and

  c. That he/she has authorized the Registrar to the Issue to issue instructions to the SCSBs to unblock the funds in the ASBA Account upon finalization of the Basis of Allotment and to transfer the requisite money to the Public Issue Account.

- An ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Form or Bid cum Application Form after bidding on one ASBA Form either in physical or electronic mode. Submission of a second ASBA Form to either the same or another Designated Branch of the SCSB or a Bid cum Application to the Members of Syndicate will be treated as multiple Bid and will be liable to be rejected either before entering the Bid into the electronic Bidding System, or at any point of time prior to the Allotment of Equity Shares in the Issue. **ASBA Bidders are cautioned that Bids for Equity Shares in the Issue through the ASBA Form cannot be revised.**

- Upon completing and submitting the ASBA Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

Maximum and Minimum Bid Size for ASBA Bidders

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum Bid cannot exceed [●] Equity Shares in order to ensure that the total Bid Amount blocked in respect of the ASBA Bidder does not exceed Rs. 100,000.

Information for the ASBA Bidders:

1. Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

2. Our Company and the BRLMs will declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with the RoC and also publish the same two national newspapers (one each in English and Hindi) and one Bengali newspaper with wide circulation.

3. ASBA Bidders who would like to obtain the Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches of the SCSBs. ASBA Bidders can also obtain a copy of the Red Herring Prospectus and/or the ASBA Form in electronic form on the websites of the SCSBs.

4. The Bids should be submitted to the SCSBs on the prescribed ASBA Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account. For further information on how to complete ASBA Forms, see the section titled "Instructions for Completing the ASBA Form" on page 267.

5. The Price Band has been fixed at Rs. [•] to Rs. [•] per Equity Share. ASBA Bidders shall Bid for Equity Shares only at the Cut-off Price, with a single Bid option as to the number of Equity Shares. In accordance with the SEBI Guidelines, our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding/Issue Period. In case of revision, the cap on the Price Band will not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

6. Our Company, in consultation with the BRLMs, shall finalise the Issue Price within the Price Band, without the prior approval of, or intimation to, the ASBA Bidders.

7. Our Company and the BRLMs shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date and Price Band in the Red Herring Prospectus to be filed with the RoC and also publish the same in two circulated national newspapers (one each in English and Hindi) and one Bengali regional newspaper, each with wide circulation in the place where our Registered Office is situated. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall contain the disclosure requirements as specified under Schedule XX-A of the SEBI Guidelines. The SCSBs shall accept Bids from the ASBA Bidders during the Bidding/Issue Period.

8. The Bidding/Issue Period shall be for a minimum of three Business Days and shall not exceed seven Business Days. In case the Price Band is revised, the revised Price Band and Bidding/Issue Period will be published in two national newspapers (one each in English and Hindi) and one Bengali regional newspaper, each with wide circulation and also by indicating the change on the website of the BRLMs and at the terminals of the members of the Syndicate. The Bidding/Issue Period shall be extended by an additional three Business Days, subject to the total Bidding/Issue Period not exceeding 10 Business Days.

Mode of Payment

Upon submission of an ASBA Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the ASBA Account.

ASBA Form should not be accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account.

SCSBs shall block the Bid Amount in the ASBA Account. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue or withdrawal/failure of the Issue or withdrawal/failure of the Bid through ASBA, as the case may be. In the event the ASBA Account does not have a sufficient credit balance for the Bid Amount, the ASBA shall be rejected by the SCSB and no funds shall be blocked in the said ASBA Account.

On the Designated Date, the SCSBs shall unblock and transfer the Bid Amount from the ASBA Account for successful Bids into the Public Issue Account and the balance amount, if any, shall be unblocked.

Electronic Registration of Bids

Upon receipt of the ASBA Form, the Designated Branch of the SCSBs shall register and upload the Bid. **The BRLMs, our Company, the Selling Shareholders and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Bids accepted by SCSBs, Bids uploaded by SCSBs, Bids accepted but not uploaded by SCSBs or Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.**

At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

- Name of the Bidder(s);
- Application Number;
- Permanent Account Number;
- Number of Equity Shares Bid for;
- Depository Participant identification No.; and
- Client identification No. of the Bidder's beneficiary account.

In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).

A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares Bid for shall be Allocated to the ASBA Bidders. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bidding/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges.

Unblocking of ASBA Account

Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSBs for unblocking the ASBA Accounts and for the transfer of requisite amount to the Public Issue Account. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar

to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or withdrawal or rejection of the ASBA Bid, as the case may be.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process along with the demand generated by other Retail Individual Bidders to determine the demand generated.

2. Our Company, in consultation with the BRLMs, shall finalise the Issue Price.

3. The Allotment to QIBs will be at least 60% of the Issue, on a proportionate basis and the availability for allocation to Non-Institutional and Retail Individual Bidders (including ASBA Bidders) will be not less than 10% and 30% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Guidelines and this Draft Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
4. Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment, without assigning any reason thereof.

Interest in Case of Delay in Dispatch of Allotment Letters/ Refund Orders or Instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 15 (fifteen) days from the Bid/ Issue Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 15 (fifteen) days of the Bid/Issue Closing Date.
- It shall pay interest at 15% p.a. if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 (fifteen) days from the Bid/Issue Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 15 days of the Bid/Issue Closing Date.

Our Company and the Selling Shareholders will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Filing of the Red Herring Prospectus and the Prospectus with the RoC

We will file a copy of the Red Herring Prospectus and the Prospectus with the RoC in terms of sections 56, 60 and 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to section 66 of the Companies Act, our Company shall, after receiving final observations, if any, on this Draft Red Herring Prospectus from the SEBI, publish an advertisement, in the form prescribed by the SEBI Guidelines, in two national newspapers (one each in English and Hindi) and one Bengali newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the date of the Red Herring Prospectus and the Prospectus shall be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue, along with:

- The number of shares to be allotted against each successful ASBA;
- The amount to be transferred from the ASBA Account to the Public Issue Account, for each successful ASBA;
- The date by which the funds referred to in sub-para (ii) above, shall be transferred to the Public Issue Account; and
- The details of rejected ASBAs, if any, along with reasons for rejection and details of withdrawn/ unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective ASBA Accounts.

Investors should note that our Company shall ensure that the instructions by our Company for demat credit of the Equity Shares to all investors in this Issue shall be given on the same date; and

(b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Allotment of Equity Shares

- Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the ASBA Accounts to the Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two Business Days from the date of Allotment.

- As per the SEBI Guidelines, Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

DO's:

1. Check if you are a person resident in India as defined under the FEMA.

2. Check if you are a Retail Individual Bidder and eligible to Bid under ASBA process.

3. Ensure that you use the ASBA Form specified for the purposes of ASBA process.

4. Read all the instructions carefully and complete the ASBA Form.

5. Ensure that your Bid is at the Cut-off Price.

6. Ensure that you have mentioned only one Bid option with respect to the number of Equity Shares in the ASBA Form.

7. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

8. Ensure that your Bid is submitted at a Designated Branch of a SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or the Registrar or the BRLMs.

9. Ensure that the ASBA Form is signed by the account holder in case the applicant is not the account holder.

10. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form.

11. Ensure that you have funds equal to the number of Equity Shares Bid for at the Cap Price available in your ASBA Account before submitting the ASBA Form to the respective Designated Branch of the SCSB.

12. Ensure that you have correctly checked the authorisation box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Form in your ASBA Account maintained with a branch of the concerned SCSB.

13. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSBs for the submission of your ASBA Form.

14. Ensure that you have mentioned your PAN.

15. Ensure that the name(s) given in the ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Form.

16. Ensure that the Demographic Details are updated, true and correct, in all respects.

DON'Ts:

1. Do not submit an ASBA if you are not a resident as defined in the FEMA and are not a Retail Individual Bidder.

2. Do not Bid at any price within the Price Band other than at Cut-Off Price.

3. Do not Bid with more than a single option as to the number of Equity Shares Bid for.

4. Do not revise your Bid.

5. Do not Bid for lower than the minimum Bid size.

6. Do not Bid on another ASBA or on a Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.

7. Payment of Bid Amounts in any mode other than blocked amounts in the ASBA Accounts, shall not be accepted under the ASBA process.

8. Do not send your physical ASBA Form by post; instead submit the same to a Designated Branch of the SCSB only.

9. Do not fill up the ASBA Form such that the Bid Amount against the number of Equity Shares Bid for exceeds Rs. 100,000.

10. Do not submit the GIR number instead of the PAN Number.

INSTRUCTIONS FOR COMPLETING THE ASBA FORM

1. Bids through ASBA must be made only in the prescribed ASBA Form (if submitted in physical mode) or electronic mode.

2. The Bid may be made in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

3. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein and in the ASBA Form.

4. The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum of [●] Equity Shares such that the Bid Amount does not exceed Rs. 100,000.

5. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

6. ASBA Bidders should correctly mention the ASBA Account number in the ASBA Form and ensure that funds equal to the Bid Amount are available in the ASBA Account before submitting the ASBA Form to the respective Designated Branch.

7. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the account holder as provided in the ASBA Form.

8. ASBA Bidders should correctly mention their DP ID and Client ID in the ASBA Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Form.

ASBA Bidder's Depository Account and Bank Details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE ASBA FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE ASBA FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/Allocation advice would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, the Company or the Registrar to the Issue shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

ASBA Bids under Power of Attorney

In case an ASBA Bidder makes a Bid pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject such Bids. 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 ASBA Form, subject to such terms and conditions that we, in consultation with the BRLMs may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

The ASBA Bidders are not entitled to revise their Bid. However, they can withdraw their Bids during the Bidding/Issue Period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.

In case the ASBA Bidder wishes to withdraw the Bid after the Bid/Issue Closing Date, the same can be done by submitting a withdrawal request by the ASBA Bidder to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid for the total number of Equity Shares desired. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same

Permanent Account Number

The ASBA Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. **Applications without this information will be considered incomplete and are liable to be rejected by the SCSBs**. It is to be specifically noted that ASBA Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

RIGHT TO REJECT ASBA BIDS

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the ASBA Account, the respective Designated Branch ascertains that sufficient funds are not available in the ASBA Account.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

Grounds for Technical Rejections under the ASBA Process

ASBA Bidders are advised to note that Bids under the ASBA Process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Application on plain paper or on split form;

2. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

3. Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors and insane persons;

4. Amount mentioned in the ASBA Form does not tally with the amount payable for the value of Equity Shares Bid for;

5. Bids at a price other than at the Cut-off Price;

6. Bids for a value of more than Rs. 100,000 by ASBA Bidders;

7. Bid made by categories of investors other than Retail Individual Bidders;

8. PAN not stated, or GIR number furnished instead of PAN;

9. Bids for number of Equity Shares, which are not in multiples of [●];

10. Authorisation for blocking funds in the ASBA Account not ticked or provided;

11. Multiple Bids as defined in this Draft Red Herring Prospectus;

12. In case of Bid under power of attorney, relevant documents are not submitted;

13. Signature of sole and/or joint Bidders missing in case of ASBA Forms submitted in physical mode;

14. ASBA Form does not have the Bidder's depository account details;

15. ASBA Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Form and the Red Herring Prospectus;

16. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account;

17. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number; and

18. If the ASBA Bid in the Issue is revised.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted and bank account number of the ASBA Account, with a copy to the relevant SCSB. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or willful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held.

ASBA Bidders can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Form was submitted, or the Registrar to the Issue in case of any pre or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

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

Impersonation

For details, see section titled "Issue Procedure- Impersonation" on page 254.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we undertake that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made; and
- We shall pay interest at 15% p.a. for any delay beyond the 15 day period mentioned above, if Allotment is not made and/or demat credits are not made to investors within the time period prescribed above or if instructions to SCSBs to unblock ASBA Accounts are not issued within 15 days of the Bid/Issue Closing Date.

Basis of Allocation and Method of Proportionate Basis of Allocation in the Issue

Bids received from ASBA Bidders will be considered at par with Bids received from other Retail Individual Bidders. No preference shall be given vis-à-vis ASBA and other Retail Individual Bidders. The basis of allocation to such valid ASBA and other Retail Individual Bidders will be that applicable to Retail Individual Bidders. For details, see section "Issue Procedure- Basis of Allotment" on page 255.

Undertaking by our Company

In addition to our undertakings described under "Issue Procedure - Undertakings by our Company" on page 258, with respect to the ASBA Bidders, we undertake that adequate arrangements shall be made to collect all ASBA Forms and ASBA Bidders shall be considered similar to other Bidders while finalizing the Basis of Allotment.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association. Certain defined terms used in the Articles of Association are set forth below. All other defined terms used in this section have the meaning given to them in the Articles of Association.

CAPITAL

3. The Authorised Share Capital of the Company shall be the amount as specified in Clause V i.e. Capital Clause of the Memorandum of Association.

Increase of capital by the Company and how carried into effect

4. Subject to the provisions of these Articles and in particular Article 102A, the Company in general meeting may, from time to time increase the capital by creation of new shares, such increase to be of such aggregate amount and to be divided into Shares of such respective amount as the resolution shall prescribe. The new share shall be issued upon such terms and conditions and in particular, such shares may be issued with a preferential or qualified right to dividends and the distribution of assets of the Company and with a right of voting at the general meeting of the Company In conformity with Section 87 and Section 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.

Issue of Shares

4(A)(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares either out of the un-issued capital or out of the increased share capital then:

a) Such further Shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those Shares at that date.

b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.

c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub-clause (b) hereof shall contain a statement of this right. PROVIDED THAT the Directors may decline, without assigning any reason, to allot any shares to any person in whose favour any Member may renounce the shares offered to him.

d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose them off in such manner and to such person(s) as they may think, in their sole discretion, fit.

(2) Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.

(a) If a special resolution to that effect is passed by the Company in the General Meeting; or

(b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in the general meeting, (including the casting vote, if :any, of the Chairman) by the Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

(3) Nothing in sub-clause (c) of clause (1) hereof shall be deemed;
   (a) To extend the time within which the offer should be accepted; or
   (b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the persons in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debenture issued or loans raised by the Company:
   (i) to convert such Debentures or loans into shares in the Company; or
   (ii) to subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).

PROVIDED THAT the terms of issue of such Debentures or the terms of such loans include a term providing for such option and such term:

(a) either has been approved by the Central Government before the issue of the Debentures or the raising of the loans, or is in conformity with Rules, if any, made by that Government in this behalf, and

(b) in the case of Debentures or loans other than Debentures issued to, or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the Debentures or raising of the loans.

Subject to the provisions of section 81 the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose off the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and 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 fully 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.

New Capital same as existing capital

5. Except in so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of a new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Redeemable Preference Shares

6. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or the option of the Company are to be liable, to be redeemed at any time but not later than 10 years from the date of Issue and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.

Provision to apply on issue of Redeemable Preference Shares

7. 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 profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of the shares made for the purpose of the redemption,
   (b) No such shares shall be redeemed unless they are fully paid,
   (c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account before the shares are redeemed,

(d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of the profits, which would otherwise have been available for dividends, be transferred to a reserve fund to be called "The Capital Redemption Reserve Account" a sum equal to nominal amount of the share redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in the Section 80 of the Act, apply as if the Capital redemption reserve account were paid up share capital of the Company.

(e) Subject to the provisions of Section 80 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf in such manner as the Directors may think fit.

Reduction of Capital

(8) The Company may (subject to the provisions of Section 78, 80 and 100 to 105, and other applicable provisions, if any, of the Act) from time to time, by special resolution, reduce (a) its share capital (b) any capital redemption reserve account or (c) any 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 up again or otherwise. This Article is not in derogation of any power that the Company would have if it is omitted.

Consolidation, division, sub-division and cancellation of shares

9. Subject to the provisions of Sections 94 and 95 of the Act, the Company in general meeting may, from time to time, after the conditions of its Memorandum as follows:

a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.

b) Sub-divide its shares, or any of them into shares of smaller amount than fixed by the Memorandum of Association, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.

c) Cancel any shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Modification of Rights

10. Whenever the capital, by reason of 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 Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders or not less than three fourth of the issued capital of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class, and all the provisions hereafter contained as to general meeting shall, mutatis mutandis, apply to every such meeting. This article is not to derogate from any power the Company would have if this article was omitted.

Return of Allotment

11. The Board of Directors shall cause to be made the returns as to allotment provided for in Section 75 of the Act.

Share under control of Directors

12. Subject to the provisions of these Articles and of the Act, the Shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such person on such terms and conditions and at such times as they think fit and with power to issue any shares as fully paid up in consideration of services rendered to the Company in its formation or otherwise.

Application of Premium received on shares

13. Subject to the provisions of these Articles, the Board may give any person the option to call for and be allotted shares of any class of the company either at a premium or at par or at a discount subject to the provisions of Sections 78 and 79 of the Act and for such time and for such consideration as the Directors think fit.

14. 1. Where the Company issues shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these shares shall be transferred to an account, to be called "THE SHARE PREMIUM ACCOUNT" and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in this article, apply as if the share premium account were paid up share capital of the Company.

2. The share premium account may, notwithstanding anything in clause (1) hereof, be applied by the company

a) in paying up un-issued shares of the company, to be issued to the members of the Company, as fully paid bonus shares.
b) In writing off the preliminary expenses of the Company
c) In writing off the expenses of or the commission paid or discount allowed, on any issue of shares or debentures of the Company, or
d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

Power also to Company in general meeting to issue shares

15. 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 persons (whether members or not) In such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Sections 78 and 79 of the Act) as such general meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either at a premium or at par or at a discount (subject to compliance with the provisions of Section 78 and 79 of the Act) such option being exercisable at such time and for such consideration as may be directed by such general meeting or the Company in general meeting may make any other provisions whatsoever for the issue, allotment or disposal of any such shares.

Shares at a discount

16. The Company may issue at a discount shares of the Company of a class already issued, if the following conditions are fulfilled namely:

1) The issue of the shares at a discount is authorised by a resolution passed by the Company in general meeting and sanctioned by the Central Government.
2) The resolution specified the maximum rate of discount (not exceeding ten percent or such higher percentage as the Central Government may permit in any special case) at which the shares are to be issued and
3) The shares to be issued at a discount are issued within two months after the date on which the issue is sanctioned by the Central Government or within such extended time as the Central Government may allow.

Installments on shares to be duly paid

17. If by the conditions of any allotment of any shares the whole or any part of the amount or issue price thereof shall be payable by installments, every such Installment shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in the case of non-payment the provisions of these Articles as to the payment of interest,

expenses or forfeiture and the like and all the other relevant provisions of the Articles shall apply as If such installments were a call duly made and notified as hereby provided.

The Board may Issue shares as fully paid-up

18. Subject to the provisions of the Act and these Articles, the Board may allot and Issue shares in the Capital of the Company as payment of any property sold or transferred to for service rendered to the Company in the conduct of its business or in satisfaction of any shares which may be so issued shall be deemed to be fully paid-up shares.

Acceptance of Shares

19. Any application signed by or on behalf of an applicant for shares in the Company followed by allotment of any share therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is therefore placed on the register shall, for the purpose of these articles be a member.

Deposit and call etc. to be debt payable

20. Every member, or his heirs, executors or administrators, to the extent of his assets which come to their hands shall be liable to 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 of Directors shall from time to time, in accordance with the Company's regulations, require or fix for the payment thereof.

Liability of members

21. Every member, or his heirs, executors or administrators, to the extent of his assets which come to their hands shall be liable to 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 of Directors shall from time to time, in accordance with the Company's regulations, require or fix for the payment thereof.

Share Certificate

22. Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery, such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month 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 certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.

Renewal of share certificate and new certificates to be granted on delivery of old certificates

23. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed, then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under 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 requirements 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.

Company not bound to recognize any interest in share other than of registered holders

26. Except as ordered by a Court of Competent jurisdiction or as by law required the Company shall not be bound to recognise, even when having notice thereof, any equitable, contingent future or partial interest provided any share, or (except only as is by these Articles 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 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 (but not exceeding 4 persons) or the survivor or survivors of them.

Trust not recognised

26A. a) Save as herein otherwise provided, the Company shall be entitled to treat the member registered in respect of Shares as the absolute owner thereof and accordingly shall not (except, as ordered by a Court of Competent jurisdiction or as by law required) be bound to recognize any benami, trust or equity or equitable, contingent, future or partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or limited notice thereof the provisions of Section 153 of the Act shall apply.

b) Shares may be registered in the names of an incorporated Company or other body corporate but not in the name of a minor (except in case where they are fully paid) or in the name of a person of unsound mind or in the name of any firm or partnership.

Funds of Company not to be applied in purchase of share of the Company

27. None of the funds of the Company shall as provided by Section 77 of the Act be employed in the purchase of its own shares unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78, 80, and 100 to 105 of the Act and these Articles or in giving either direct or indirectly and whether by means of a loan, guarantee, the provisions of security of otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any share in the Company in its holding Company.

27A. **Power of the Company to dematerialise, rematerialise and numbering thereto and options available to the Investors.**

1) Notwithstanding anything contained in these Articles, the shareholders/ debenture holders of the Company shall be entitled to dematerialise their existing shares, debentures and other securities, rematerialise their securities held in the Depository and the Company shall offer fresh shares, debentures and other securities for subscription in a dematerialized form pursuant to the Depositories Act.

2) The shares in the Capital shall be numbered progressively according to their several denominations. Provided that the provisions relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialized in future or issued in future in dematerialized form. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

3) Every person subscribing to shares, debentures or other securities offered by the Company shall have the option to receive such shares, debentures or securities in physical form or to hold the same with a Depository in dematerialized form. Such a person who is the Beneficial Owner of the securities can at any time opt out of a depository, if permitted and in the manner provided by law and the Company shall, in the manner and within the time prescribed, issued to the Beneficial Owner, the required Certificates.

4) In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any Certificate and where such shares, debentures or securities are being held in an electronic and fungible from by a Depository, the provisions of the Depositories Act shall apply.

5) If the shares of the Beneficial Owner are held with a Depository, the Company shall intimate such Depository, the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records, the names of the allottees as the Beneficial Owners of the security.

6) A Depository shall be deemed to be the registered owner of the securities for the purposes of effecting transfer of ownership of shares of the Company on behalf of the Beneficial Owner. However, the Depository as the registered owner of the securities shall not have any voting rights and such rights shall be vested with the Beneficial Owner of the shares of the Company.

7) In respect of the shares, debentures and other securities held by the Depository on behalf of a Beneficial Owner, Sections 153, 153A, 187B, 187C and 372A of the Act, shall not apply to the Depository.

27B**. Beneficial Owner deemed as absolute owner.**

Save as herein otherwise provided, the Company shall be entitled to treat the persons whose names appear as the Beneficial Owners of the shares, debentures and other securities in the records of the Depository as the absolute owners thereof as regard receipt of dividend or bonus on shares, interest, premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by the Court of competent jurisdiction or as by law required), be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities, as the case may be, on the part of any other person, whether or not it shall have express or implied notice thereof.

27C. **Issue of Certificates, if required, in the case of dematerialized shares/ debentures/ other securities and rights of Beneficial Owner of such shares / debentures / other securities.**

Certificate, if required, for dematerialized share, debenture or any other security shall be issued in the name of the Depository and all the provisions contained in Articles 22, 23 and 24 in respect of the rights of a member / debenture holder of the Company shall mutatis mutandis apply to the Depository as if it was a member / debenture holder / security holder, except that and notwithstanding that the Depository shall have been registered as the holder of a dematerialized share, debenture or any other security, the person who is the Beneficial Owner of such shares, debentures or other securities shall be entitled to all the rights (other than those set out in the Articles 22, 23, and 24) available to the registered shares, debentures or other securities, in the Company, as set out in the other provisions of these Articles.

UNDERWRITING AND BROKERAGE

Commission may be paid

28. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or his procuring or agreeing to procure subscriptions, (whether absolutely or unconditionally) for any Shares in or debentures of the Company, but so that the commission shall not exceed in the case of shares 5% (five per cent) of the price as satisfied by the payment of cash or by allotment of fully or partly paid shares or debentures as the case may be partly in one way and partly in the other.

Brokerage

29. The Company may on any Issue of shares or debentures pay such brokerage as may be reasonable and lawful.

Commission to be Included In the Annual Return

30. Where the company has paid any sum by way of commission in respect of any shares or debentures or allowed any sums by way of discount in respect of any shares or debentures such statement thereof shall be made in the Annual Return as required by Part I of Schedule V to the Act.

INTEREST OUT OF CAPITAL

31. Where any shares are issued for the purposes of raising money to defray the expenses of the construction or any works or buildings or the provisions of any plant, which cannot be made profitable for 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 provision of the provision of the plant.

DEBENTURES

Debentures with voting rights not to be issued

32. a) The company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business Debentures stock, bonds or other securities with the right to allotment of or conversion into shares except with the sanction of the Company in General Meeting and subject to the provisions of these articles.
    b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.
    c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.
    d) Certain charges (with expression includes mortgages) mentioned in Section 125 of the Act shall be void against the Liquidator or creditors unless registered as provided In Section 125 of the Act.
    e) A contract with the Company to take up and pay any debentures of the Company may be enforced by a decree for specific performance.
    f) Unless the conditions of Issue thereof otherwise provide, the Company shall (subject to the provisions of Section 113 of the Act) within three months after the allotment of its debentures or debenture stock, and within two months after the application for the registration of the transfer of any such debentures or debenture stock have complete and ready for delivery the certificate of all debenture stock allotted or transferred.
    g) The Company shall comply with the provisions of Section 118 of the Act as regards supply of copies of Debenture Trust Deed and Inspection thereof.
    h) The Company shall comply with the provisions of Section 123 to 145 of the Act as regards registration of charges.

CALLS

Directors may make calls

33. Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time by a Resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares whether on account of the nominal value of the shares or by way of premium held by them respectively and not by conditions of allotment thereof made payable at fixed time and each member shall pay the amount of every call so made at such times and places as appointed by the Board of Directors. A call may be made payable by Installments. A call may be

postponed or revoked as the Board may determine. The option or right to call on shares shall not be given to any person except with the sanction of the Company in general meetings.

Notice of calls

34. Not less than thirty days notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.

35. 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 of Directors on such subsequent date as shall be fixed by the Board of Directors.

Directors may extend time

36. The Board of Directors may, from time to time and at its discretion, extend the time fixed for the payment of any call and may extend such time to all or any of the members as the Board of Directors may deem fairly entitled to such extension, but no member, shall be entitled to such extension as of right except as a matter of grace and favour.

Amount payable at fixed time or by installments to be treated at calls

37. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instilments at fixed time (whether on account of the share or by way or premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount of installment accordingly.

When Interest on call or Installment payable

38. It the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the share in respect of which the call shall have been made or the installment shall be due shall pay interest on the same as Directors shall fix from the day appointed for the payment thereof until the time of actual payment, subject to the provisions of the act. However, the Directors may waive payment of such Interest wholly or in part.

Evidence In actions by Company against shareholders

39. On the trial or hearing of any action or suit brought by the company against any member or his legal representatives for the recovery of any moneys claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered and entered on the register of member as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares in respect of which money is sought to be recovered that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment In anticipation of calls may carry Interest

40. The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or Dividend. The Directors may at any time repay the amount so advanced.

The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company

LIEN

Company to have lien on shares

41. The Company shall have a first and paramount lien upon all Shares/ Debentures (other than fully paid-up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not), called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interests in any Share shall be created except upon the footing and condition that this Article will have full effect and that fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares. Any such lien shall extend to all Dividends and bonuses from time to time declared in respect of such Shares/ Debentures.

Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/Debentures. The
Directors may, at any time, declare any Shares/ Debentures wholly or in part exempt from the provisions of this Article.

As to enforcing lien by sale

42. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien for the purpose of enforcing the same PROVIDED THAT no sale shall be made:

a) unless a sum in respect of which the lien exists is presently payable, or
b) until the expiration of thirty days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency. For the purpose of such sale, the Board may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their members to execute a transfer thereof on behalf of and in the name of such members.
c) The Purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Application of proceeds of sale

43. a) The net proceed of any such sale shall be received by the Company and applied in or towards satisfaction of such part of, the amount, in respect of which the lien exists as is presently payable and
b) The residue, if an shall be paid to the person entitled to the shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the share before the sale.)

FORFEITURE OF SHARES

If money payable on share not paid notice to be given

44. If any member fails to pay any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Sum payable on allotment to be deemed call

45. For the purposes of the provisions of these presents relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such share on the day of allotment.

Form of notice

46. The notice shall name a day (not being less than thirty days from the day of the notice) and place or places on, and at which such call or installment, and such interest thereon at such rate as may be prescribed and as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in event of the non-payment at or before the time and at the place appointed the shares in respect of which the call was made or installment is payable will be liable to be forfeited.

In default, of payments shares to be forfeited

47. If the requirements of any such notice as aforesaid are not complied with, any share or shares in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture subject to Section 205 of the Act.

Notice of forfeiture to a member

48. When any share shall have been so forfeited notice of the forfeiture, shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any entry aforesaid.

Forfeited share to be the property of the Company and may be sold etc.

49. Any share so forfeited shall be deemed to be the property of the company and may be sold, realloted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.

Member, still liable to pay money owing at the time of forfeiture and Interest

50. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all call, installments, Interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate not exceeding eighteen per cent p.a., as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.

Effect of forfeiture

51. A person whose shares have been forfeited shall cease to be a member of the Company in respect of the forfeited shares, but shall notwithstanding the forfeiture remain liable to pay the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

Power to annual forfeiture

52. The Board of Directors may at any time before any share so forfeited shall have been sold, reallotted or otherwise disposed of, annual the forfeiture thereof such conditions as it thinks fit.

Declaration of forfeiture

53. 1) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

2) The Company may receive the consideration if any, given for the share on any sale, reallotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

3) The person to whom such share is sold re-allotted or disposed off shall thereupon be registered as the holder of the shares.

4) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, installments, Interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (Unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment.

5) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by the irregularity or invalidity in the proceedings in reference to the forfeiture sale, reallotment or other disposal of the shares.

Provision of these articles as to forfeiture to apply In case of non-payment of any sum

54. The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of Issue of a share becomes payable at a fixed time, whether on account of the nominal value of a share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

Cancellation of share certificates In respect of forfeited shares

55. Upon sale, reallotment or the other disposal under the provisions of these articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

Surrender of shares

56. The Directors may subject to the provisions of the Act accept a surrender of any share from or for any member desirous of surrendering on such conditions as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

No transfer to minor etc.

57. The Board shall not issue or register a transfer of any share to a minor (except in case where they are fully paid) or insolvent or person of unsound mind.

Form of transfer

58. The instrument of transfer shall be in writing and shall be in a common form and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

Application for Transfer

59. 1) An application for registration of a transfer of the share in the Company may be made either by the transferor or the transferee.

2) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

3) For the purposes of clause (2) above, notice to the transferee shall be deemed to have been duly given, if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

Execution of transfer

60. The instrument of transfer of any share shall be duly stamped and executed by or on behalf of both the, transferor and the transferee and shall be attested. The transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

Applicability of Depositories Act

60A. Nothing contained in Section 108 of the Act or Article 61 of the Articles shall apply to the transfer of shares, debentures or other securities affected by the transferor or transferee, both of whom are entered as Beneficial Owners in the records of the Depository.

Transfer by legal representatives

61. A transfer of share in the Company of a deceased member thereof made by his legal representative shall, although the legal representatives is not himself a member, be as valid at if he had been a member at the time of the execution of the instrument of transfer.

Register of members etc. when closed

62. The Board of Directors shall have power on giving not less than seven days previous notice by advertisement In some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of members and/or the Register of Debenture Holders at a time for more than 30 days, and not exceeding in the aggregate forty five days in each year, as it may deem expedient to the Board.

Directors may refuse to register transfers

63. The provisions of Section 111 of the Act regarding powers to refuse registration of the transfer and appeal against such refusal and Section 22A of the Securities Contracts (Regulation) Act, 1956, should be adhered to. Provided that 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 when the company has a lien on the shares. Transfer of debentures or shares in whatever lot shall not be refused. The Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a Member of the Company but in such cases, the Director shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that 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 when the Company has a lien on the shares. Transfer of shares/ Debentures in whatever lot shall not be refused.

64. If the Company refuses to register the transfer of any shares or transmissions of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company send notice of refusal to the transferee and the transferor or to the

person giving the intimation of the transmission, as the case may be, and thereupon the provisions of Section 111 of the Act or any statutory modification or re-enhancement thereof for the time being in force shall apply.

Death of one or more joint- holders of shares

65. If case of the Death of any one or more of the persons named in the Register of Members as the joint holders of any shares, the survivor or survivors shall be the only persons recognized by the Company as having any title to or Interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him with any other person.

Titles to share of deceased members

66. The executors or administrators of a deceased member or holders of a Succession Certificate or the legal representatives in respect of the shares of a deceased member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such members and the Company shall not be bound to recognize such executors or administrators or holders, as the Directors in their absolute discretion thinks fit. The Board upon such terms as to indemnify or otherwise as the Directors may deem proper dispense with production of Probate or letter of administration or succession certificate and register under Article 70 shares standing in the name of a deceased member as a member.

Registration of persons entitled to shares otherwise than by transfer (Transmission Clause)

67. Subject to the provisions of Article 66 and 67, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these articles, may with the consent of the Board of Directors (which it shall not be under an obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under these Articles, or of his title, as Board of the Directors shall require, and upon giving such indemnity as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Board of Directors, registered as a member in respect of such shares PROVIDED NEVERTHELESS THAT, if such person shall elect to have his nominee registered, he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of such shares, this clause is herein referred to as "THE TRANSMISSION CLAUSE".

Refusal to register nominee

68. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any shares of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

Person entitled may receive dividend without being registered as member

69. A person entitled to a share by transmission shall subject to the right of the Directors to retain such dividends or money as is herein after provided, be entitled to receive and may give a discharge for any dividends or other moneys payable In respect of the share.

No fees on transfer or transmission

70. No fee shall be charged for registration of transfer, Probate, Succession Certificate and Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.

Transfer to be presented with evidence of title

71. Every Instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board may, from time to time, prescribe, and every registered instrument of transfer shall remain in custody of the Company until destroyed by order of the Board.

The Company not liable for discharge of a notice prohibiting registration of a transfer

72. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of members to the prejudice of persons having claiming any equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice, or referred thereto in any book of the Company and the Company shall not be bound or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be liberty to regard and attend to any such notice, and give effect thereto if the Board of Directors shall so think fit.

SHARE WARANTS

Power to Issue share warrant

73. The Company may issue share warrants, subject to and in accordance with the provisions of Section 114 and 115 of the Act, 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.

Deposit of Share warrants

74. 1) The bearer of a share warrant may, at any time, deposit the warrant at the office of the Company, so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of the member at any meeting hold after the expiry of two clear days from the time of deposit, as If his name were inserted in the Register of Members as the holder of the share including in the deposited warrant.

2) Not more than one person shall be recognized as depositor of the share warrant.

3) The Company shall, on two days written notice, return the deposited share warrant to the depositor.

Privileges and disabilities of the holders of share warrant

75 1) Subject as herein otherwise expressly provided no person shall, as bearer of 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 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 share included in the warrant and he shall be a member of the Company.

Issue of new share warrant or coupon

76. The Board may, from time to time, make bye-laws 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.

BORROWING POWERS

Power to Borrow

81. Subject to the provisions of Sections 58A, 292, 293, 370 and 372A of the Act and of these Articles, the Board of Directors may, from time to time and at its discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of the calls or otherwise and generally raise or borrow or secure the payment of any such sum of sums of money for the purpose of the Company from any source, PROVIDED HOWEVER, 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 of Directors shall not borrow such money without the sanction of the Company in general meeting. No debt incurred by the Company in the excess of the limit imposed by the article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this article had been exceeded.

The payment or repayment of moneys borrowed

82. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit and in particular in pursuance of a resolution passed at a meeting of the Board (and not by Circular Resolution) by the issue of bonds, debentures or debenture stock of the Company, (Both present and future), including its uncalled capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between Company and the person to whom the same may be issued.

Terms of issue of debentures

83. Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares, of any denomination, and with any privileges and conditions as to redemption, surrender, drawing allotment of shares, attending (but not voting) at general meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in General Meeting by a Special Resolution.

Mortgage of uncalled capital

84. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Director may, subject to the provisions of the Act these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

MEETING OF MEMBERS

Statutory Meeting

85. The Statutory Meeting shall be held in accordance with the provisions of Section 165 of the Act within a period of not less than one month and not more than six months from the date on which the Company shall be entitled to commence business.

Annual General Meeting and the persons entitled to attend

86. 1) The Company shall convene and hold a general meeting, every year, as its Annual General Meeting in accordance with the provisions of Sections 166 and 210 of the Act and shall specify the meeting as such in the notice calling it, except in the case where the Registrar of Companies, has given an extension of time for holding any Annual General Meeting and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next.

PROVIDED THAT if the Registrar shall have for special reason, extended the time within which any Annual General Meeting shall be held, such annual general meeting may be held within such additional time

2) Every Annual General Meeting shall be called for any time during business hours, on a day that is not a public holiday and shall be held either at the registered office of the Company or at the some other place within the city or town or village in which the registered office of the Company is situated for the time being.

3) 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 concerns him as Auditor.

Report, statement and Registers to be laid before the annual general meeting

87. The company shall in each year hold, in addition to any other General Meeting an Annual General Meeting before which shall be laid on the table the Directors' Report and Audited Statement of Accounts, the proxy register with proxies and the Register of Directors' Share holdings which latter Register shall remain open and accessible to members during the continuance of the meeting.

Extraordinary General Meeting

88. All general meetings other than Annual General meeting shall be called Extraordinary General Meeting.

89. 1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of members as is hereinafter specified and (unless the Annual General Meeting otherwise resolves) at the expense of the requisitionists.

a) give to the members of the Company entitled to receive a notice of the next Annual General Meeting, notice of any resolution which may properly be moved or is intended to be moved at that meeting.

b) Circulate to members entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

2) The number of members necessary for a requisition under clause (1) hereof shall be:

a) such number of members as represent not less than one-twentieth of the total voting power of all the members having at the date of the requisition a right to vote on the resolution or business to which the requisition relates; or

b) not less than one hundred members having the right aforesaid and holding shares in the Company on which there has been paid-up an aggregate sum of not less than rupees one lakh in all.

3) Notice of any such resolution shall be given and any such statement shall be circulated to the members of the Company entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each member in any manner permitted by the Act for service of notice of the Company by giving notice of the General effect of resolution in any manner permitted by the Act for giving him notice of the meeting of the Company. The copy of the resolution shall be given as the case may be in the same manner, and so far as practicable at the same time as notice of the meeting, and where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

4) The Company shall not be bound under this article to give notice of any resolution or to circulate any statement unless:

a) a copy of the requisition signed by the requsitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the registered office of the Company.

i) in the case of a requisition requiring notice of resolution, not less than six weeks before the meeting; and

ii) in the case of any other requisition a sum reasonably sufficient to meet the Company's expenses in giving effect thereto.

PROVIDED THAT, if after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, and an annual general meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purpose thereof.

5) the Company shall not be bound under this article to circulate any statement if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.

6) Notwithstanding anything in these Articles contained, the business which may be dealt with at any Annual General Meeting shall include any resolution of which notice is given in accordance with this article and for the purpose of this clause notice shall be deemed to have been so given notwithstanding the accidental omission in giving it to one or more members.

Extraordinary General Meeting by Board and by requisition

90. 1) The Directors may, whenever they think fit, convene an Extraordinary General Meeting and they shall on requisition of the members as hereinafter provided forthwith proceed to convene Extraordinary General Meeting of the company.

When a Director or any two members may call an extraordinary general meeting

2) If any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a general meeting, any Director or any two or more members of the Company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by Directors.

Contents of requisition and number of requisitionists required and the Conduct of meeting

91. In case of requisition the following provisions shall have effect:

1) The requisition shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and shall be deposited at the registered office of the Company.

2) The requisition may consist of several documents in like form, each signed by one or more requisitionists.

3) The number of members entitled to requisition a meeting in regard to any matter shall be such number as holding at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as at that date carries the right of voting in regard to that matter.

4) Where two or more distinct matter are specified in the requisition, the provisions of sub clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly, be valid only in respect of these matters in regard to which the conditions specified in that clause is fulfilled.

5) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of deposit of the requisition, the meeting may be called.

a) by the requisitionists themselves, or

b) by such of the requisitionists 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 the paid-up share capital of the Company as referred to in sub-clause (3) whichever is less. PROVIDED THAT, for the purpose of this sub-clause the Board shall, in the case of a meeting at which resolution is to be proposed as a Special Resolution be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.

6) A meeting called under Clause (5) by requisitionists or any of them shall be called in the same manner as nearly as possible as that in which meeting is to be called by the Board but shall not be held after the expiration of three months from the date of deposit of the requisition. PROVIDED THAT, nothing in such-clause (b) shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.

7) Where two or more persons hold any shares in the Company jointly, a requisition on a notice calling a meeting by one or some only of them shall for the purposes of this article have the same force and effect as if it had been signed by all of them.

8) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company and any sums so repaid shall be retained by the Company out of any sums due or other remuneration for their services to such of the Directors as were in default. Length of notice of meeting.

92. 1) A general meeting may be called after giving shorter notice than that specified in clause (1) hereof if consent is accorded thereto.
   i) in the case of an annual general meeting by all the members entitled to vote thereto: and
   ii) in the case of any other meeting, by members of the Company holding not less than 95% (ninety-five percent) of such part of the paid-up shares capital of the Company as gives a right to vote at the meeting.
   PROVIDED THAT where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the latter.

Contents and manner of service of notice

93. 1) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and contain a statement of the business to be transacted there at.

2) Subject to the provisions of the Act, notice of every general meeting shall be given:

a) to every member of the Company in the manner authorised by subclause (1) to (4) of section 53 of the Act.
b) to the persons entitled to a share in consequence of the death, or insolvency of member, by sending it through the post in a prepaid letter addressed to them by name, or by the title of representative of the deceased or assignee of the insolvent, or by like description at the address, if any, in India supplied for the purpose by the persons claming to be so entitled or until such an address has been so supplied by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred and

c) to the Auditor or Auditors for the time being of the Company, in any manner authorised by Section 53 of the Act.

PROVIDED THAT, where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company under Sub-Section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of Act need not be annexed to the notice as required by that section, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

3) Every notice convening a meeting of the Company shall state with reasonable prominence that members entitled to attend and vote at the meeting shall be entitled to appoint one or more proxies to attend and vote (on poll only) instead of himself and that a proxy need not be a member of the Company.

Special and ordinary business and explanatory statement

94. 1) a) In the case of an Annual general meeting all business to be transacted at the meeting shall be deemed special with the exception of business relating to:

i) the consideration of the accounts, balance sheet and reports of the Board of Directors and Auditors,
ii) the declaration of dividend:
iii) the appointment of Directors in the place of those retiring and;
iv) the appointment and the fixing of the remuneration of the auditors and

b) In the case of any other meeting, all business shall be deemed special.

2) Where any items of business to be transacted at the meeting of the Company are deemed to be special, as aforesaid. There shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such items of business including in particular the nature of the concern or interest, if any, therein of every Director.

PROVIDED THAT, where any such item of special business at the meeting of the Company relates to or affects any other Company, the extent of shareholding interest in that other Company of every Director of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty per cent of the paid-up share capital of that other Company.

3) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Omission to give notice not to Invalidate proceedings

95. The accidental omission to give any such notice as aforesaid to or the non-receipt thereof by any member or other person to whom it would be given shall not invalidate the proceedings of any such meeting.

Notice of business to be given

96. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the meeting.

Quorum

97. Pursuant to the provisions of Section 174 of the Act, no business of the Company shall be transacted at any meeting of the Shareholders or any postponement thereof unless five members are present personally. Subject to the provisions of these Articles all resolutions shall be carried by a simple majority of votes cast except where a Special Resolution is required by the Act. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India or the

Governor of State being a member of the Company shall be deemed to be personally present if he is represented in accordance with Section 187A of the Act.

98. If within half an hour of the time appointed for convening of the General Meeting the quorum specified above is not present, the meeting shall adjourned to the same day of the next week at the same time and same place or at such time or place as may be determined by the Board subject to relevant provisions of the Act. If at such adjourned meeting also the requisite quorum is nor present within half an hour from the time appointed for holding the meeting, the members present shall constitute the quorum and the business at such adjourned meeting shall be confined to the items specified in the agenda for such meeting and no matter other than specific matters set out in the agenda may be decided at such meeting.

Resolution passed at adjourned meeting

99. Where a resolution is passed at an adjourned meeting of the Company, the resolution shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

Chairman of general meeting

100. The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or shall decline to take the chair, the Vice-Chairman, if any, shall be entitled to take the chair. If the Vice-Chairman is also not present or is unwilling to take the chair the Directors present shall elect one of them as Chairman and if no Director is present or if the Directors present decline to take the Chair, then the members present shall elect one of the members to be a Chairman. If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected Chairman as a result of the poll he shall be the Chairman for the rest of the meeting.

Business confined to election of Chairman whilst chair vacant

101. No business shall be discussed at any general meeting except the election of a Chairman whilst the chair is vacant.

Chairman may adjourn meeting

102. 1) The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place.

2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

4) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

How question to be decided at meeting

103. Every question submitted to a general meeting shall be decided in the first instance by a show of hands unless the poll is demanded as any adjourned in these Articles.

Chairman's declaration of result of voting on show of hands

104. A declaration by the Chairman of the meeting that on a show of hands a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number of proportion of votes cast in favour of or against such resolution.

Demand for poll

105. 1) Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him on demand made in that behalf by the person or persons specified below, that is to say:

   a) by any member or members present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution; or
   b) by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which aggregate sum of not less than rupees fifty thousand has been paid up.

   2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Time of taking poll

106. A poll demanded on any question of adjournment shall be taken forthwith. A poll demanded on any other question (not being a question relating to the election of a Chairman) shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the chairman of the meeting may direct and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Chairman's casting vote

107. In the case of equality of votes, the Chairman shall both on a show of hands and a poll (if any) have a casting vote in addition to the vote to which he may be entitled as a member.

108. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be declared to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.

Demand for poll not to prevent transactions of other business

109. The demand for a poll except on the question of the election of the Chairman and of an adjournment other than the question on which the poll has been demanded shall be taken at such time not being later than forty eight hours from the time when the demand was made, as the Chairman may direct.

Special notice

110. Whereby under any provision contained in the Act, special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

VOTES OF MEMBERS

Member paying money in advance not to be entitled to vote in respect thereof

111. A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys so paid by him until, the same would but for such payment become presently payable.

Restriction on exercise of voting rights of members who have not paid calls

112. No member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

Number of votes to which member entitled

113. Subject to the provisions of Article 113 every member of the Company, holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll when present by a person (including a body corporate by a duly authorised representative) or by an agent duly authorised under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company. Provided however, if any Preference shareholder is 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 before the meeting which directly affect the rights attached to his preference share. A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote is taken.

Votes of members of unsound mind

114. A member of unsound mind or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on a poll vote by proxy.

Votes of joint members

115. If there be joint registered holders of any shares one of such persons may vote at any meeting personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting, and if more than one of such joint holders be present at any meeting either personally or by agent or by proxy, that one of the said persons so present who stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or other of the joint holder shall be entitled to be present at the meeting provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register in respect of such shares. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these articles be deemed joint holders thereof.

Representation of body corporate

116. 1) A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditors of the Company (including a holder of debentures) authorise such person as it thinks fit by a resolution of its Board of Directors or other Governing Body to Act as its representative at any meeting of the creditors of the Company or debenture holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and power (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, creditor or holder of debentures of the Company. The production of a copy of the resolution reffered above, certified by a Director or the secretary of such body corporate before the commencement

of the meeting shall be accepted by the Company as sufficient evidence of the validity of the said representative's appointment and his right to vote there at.

2) Where the President of India or the Governor of a State is a member of the Company, the President or as the case may be, the Governor may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company and such a person shall be deemed to be a member of the company and shall be entitled to exercise the same rights and powers including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a member of the Company.

Votes in respect of deceased or insolvent members

117. Any person entitled under the Transmission Article to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares provided that, at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his rights to transfer such shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to have at such meeting in respect thereof.

Voting in person or by proxy

118. Subject to the provisions of these Articles vote may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with section 187 of the Act.

Rights of members to use votes differently

119. On a poll taken at a meeting of the Company, a member entitled to more than one vote or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes use all his votes or cast in the same way all the votes he uses.

Proxies

120. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself (on a poll) PROVIDED ALWAYS, that a proxy so appointed shall not have any right whatever to speak at the meeting. Every notice convening a meeting of the Company shall state that a member entitled to attend and vote is entitled to appoint one or more proxies.

Proxy either for specified meeting or for a period

121. An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

No proxy to vote on show of hands

122. No proxy shall be entitled to vote on a show of hands.

123. The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the office forty-eight hours before the time for holding the meetings at which the person named in the instrument proposes to vote, and in default in the instrument of proxy shall not be treated as valid.

Form of Proxy

124. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act, and signed by the appointee or his attorney duly authorised in writing or, if the appointer is a body corporate be under its seal or be signed by any officer or attorney duly authorised by it.

Validity of votes given by proxy notwithstanding revocation of authority

125. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given provided that no intimation in writing of the death insanity, revocation or transfer shall have been received by the company at the office before the commencement of the meeting, or adjourned meeting at which the proxy is used provided nevertheless, that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.

Time for objection to vote

126. No objection shall be made to the qualification of any voter or to the validity of a vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote, whether given personally or by proxy not disallowed at such meeting, shall be valid for all purposes and any such objection made in due time shall be referred to the Chairman of the Meeting.

Chairman of any meeting to be the judge of validity of any vote

127. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.

Custody of Instrument

128. If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meeting of the Company, it shall remain permanently or for such time, as the Directors may determine, in the custody of the Company. If embracing other objects copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

DIRECTORS

Number of Directors

129. Subject to the provisions of Section 252 and 259 of the Act, the total number of Directors, shall not be less than 3 (three) and not more than 12 (twelve).

Directors

130. The following shall be the first Directors of the Company:

1. Mr. Yogendra K. Modi
2. Mr. Sudhir K. Grover
3. Mr. Deepak Diwan

Debenture Directors

131. Any trust Deed for securing debenture stocks may, if so arranged provided for the appointment from time to time by the Trustees thereof or by the holders of debentures or debenture stocks, of some person to be a Director of the Company and may empower such Trustees or holder of debentures of debenture stocks, from

time to time, to remove the reappointment of any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions and shall have effect notwithstanding any of the other provisions herein contained.

Nominee Directors

133. a) Notwithstanding any thing to the contrary contained in these articles, so long as any moneys remain owing by the company to Industrial Finance Corporation of India (IFCI), the Industrial Credit and Investment Corporation of India Limited (ICICI), Industrial Development Bank of India (IDBI) or to any other financing Company or Body (hereinafter referred to as "The Corporation") out of any loans granted or to be granted by them to the Company or so long as the Corporation continues to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as Non-Executive Director or Directors (which Director or Directors is/are hereinafter reffered to as "Nominee Director/s") on the Board of the company and to remove from such office any person or persons so appointed and to appoint any person or persons in his/their place/s.

b) The Board of Directors of the company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall be required to hold any share qualification in the Company. Also, Nominee Director(s) shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

c) The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall ipso facto vacate such office immediately after the moneys owing by the company to the Corporation is paid off.

d) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meeting, Board Meetings and all the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

e) The company shall pay the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company the fees, commission moneys and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Corporation or such Nominee Director/s in connection with their appointment or Directorship, shall also be paid or reimbursed by the company to the Corporation or as the case may be to such Nominee Director/s.

f) Provided that if any such Nominee Director/s is/are an officer/s of the Corporation, the sitting fees in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the company directly to the Corporation.

g) Provided further that if such Nominee Director(s) is/are an officer/s of the Reserve Bank of India, the sitting fees in relation to such Nominee Director/s shall also accrue to IDBI and the same shall accordingly be paid by the Company directly to IDBI.

Limit on number of retiring Directors

134. The provisions of Articles 132, 182 and 133 are, subject to the provisions of Section 255 and 256 of the Act shall not exceed in the aggregate one third of the total number of Directors for the time being in the office.

Appointment of Alternate Director

135. Subject to Section 313 of the, Act, the Board may appoint an Alternate Director to act for the nominee Director of each Shareholder (herein after called "Original Director" in this Article) during his absence, for a

period not less than 3 months, from the State in which the Board meetings are normally held. The Alternate Directors to be appointed for the nominee Director of each Shareholder shall be persons proposed by such Shareholder only and on nomination the Shareholders shall cause their respective nominee Directors to vote for and appoint him. Such Alternate Director shall be entitled, while holding office, to receive notices of meetings of the Board to which the Original Director has been appointed, to vote as a Director at any such meetings of the Board at which the Original Director is not present and to generally exercise all the powers, rights, duties and authority arid to perform all the functions to the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the said State, any provision in the Act for re-appointment of retiring Directors in default of another appointment shall apply to the Original Director.

136. The Directors shall have power, at any time and from time to time, to appoint any person to be a Director to fill a casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only up to the date upto which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.

Additional Directors

137. The Directors shall also have power at anytime and from time to time, to appoint any other person to be an Additional Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum fixed by Article 129. Any person so appointed as an addition to the Board shall hold his office only upto the date of the next annual general meeting but shall be eligible for re-election or election at such meeting.

Qualification of Directors

138. A director need not to hold any qualification shares.

Meeting fee and Remuneration of Directors

139. Subject to the provisions of the Companies Act 1956 and the rules framed hereunder, the Directors may be paid fees for attending the meetings of Board or Committee thereof. The Directors, subject to the sanction of the Central Government (if any required) may be paid such further remuneration as prescribed by the Act.

Extra remuneration to Director for special work

140. Subject to the provisions of Section 198, 309, 310, 311 and 314 of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a member of any committee, formed by the Director in relation to signing share Certificates) or to make special exertions in going or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Directors, and such remuneration may be, either in addition to or in substitution for his share in the remuneration above provided.

Director may act notwithstanding vacancy

142. The continuing Directors or Director may act not withstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board of Directors, the remaining Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a general meeting of the company but for no other purposes.

Board resolution necessary for certain contracts

143. 1) Except with the consent of the Board of Directors of the company, a Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such a firm, or a

private Company of which the Director is a member or Director, shall not enter into any contract with Company:

a) for the sale purchase or supply of goods, materials or services or
b) for underwriting the subscription of any shares in or debentures of the Company

2) Nothing contained in clause (a) of sub-clause (1) shall affect:

   a) the purchase of goods and materials for the Company or the sale of goods and materials to the company by any Director, relative, firm or Private company as aforesaid for cash at prevailing market prices or

   b) any contract or 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, private Company as the case may be regularly trades or does business, PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which or services the cost of which exceeds five thousands rupees in the aggregate in any year comprised in the period of the contract or contracts.

3) Notwithstanding any thing contained in sub-clause (1) and (2) hereof a Director relative, firm partner of private company as aforesaid may in circumstances of urgent necessity enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract, but in such a case, the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.

4) Every consent of the Board required under this article shall be accorded by a resolution passed at a meeting of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.

5) If the consent of the Board required under this article shall be accorded by a resolution passed at a meeting of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.

Disclosure to the members of Director's Interest in contract in appointing Manager, Managing Director or whole-time Director

144. Subject to Section 297 and 299 of the Act, when the Company

   a) enters into a contract for the appointment of managing director, wholetime Director or manager, in which contract any Director of the Company is whether directly or indirectly concerned or interested, or,
   b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of section 302 of the Act shall be complied with.

Disqualification of Director

145. As per the provisions of Section 274(1) of the Act, a person shall not be capable of being appointed as a Director of the company if

   a) he has been found to be of unsound mind by a court of competent jurisdiction and he find is in force,
   b) he is an undercharged insolvent, or has applied to be adjudged an insolvent and his application is pending

c) he has been convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence.
d) He has not paid any call in respect of shares of the company held by him whether alone or jointly with others and six months have elapsed from the last date fixed for the payment or
e) An order disqualifying him for appointment as Director has been passed by a court in pursuance of section 203 of the Act and is in force, unless the leave of the court has been obtained for his appointment in pursuance of that section.

Vacation of office by Directors

146. 1) As per the provision of the Section 283 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 applied to be adjudged an insolvent or he is adjudged an insolvent or
c) he is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months or
d) he fails to pay call in respect of shares of company held by him, whether alone or jointly with others, within six months from the last date for the payment of the call unless the Central Government by a notification removed the disqualification incurred by such failure, or
e) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months whichever is longer, without obtaining leave of absence from the Board or
f) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a Director, accepts a loan, or any guarantee or security for a loan from the Company in contravention of Section 295 of the Act or
g) he being 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 on behalf of the company and fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 299 of the Act, or
h) he becomes disqualified by an order of the Court under Section 203 of the Act or
i) he is removed by an ordinary resolution of the company before the expiry of his period of office or
j) if by notice in writing to the company, he resigns his office, or
k) having been appointed a Director by virtue of his holding any office or other employment in the company

2) Notwithstanding anything contained in sub-clause (c) (d) and (1) of clause (1) hereof, the disqualification referred to in these clause shall not take effect:

a) for thirty days from the date of adjudication sentence or order.

b) where any appeal or petition is preferred within 30 days as aforesaid, until the expiry of 7 days from the date on which such appeal or petition is disposed of or

c) if any further appeal or petition is preferred in respect of the sentence, conviction or order and appeal or petition if allowed, removes the disqualification, until such further appeal or petition is disposed of.

Removal of Directors

3) a) The company may (subject to the provisions of Sec. 284 of the Act and (these articles) by ordinary resolution remove any Director, (not being a Director appointed by the Central Govt. under Sec.408) before the expiry of his period of office.
b) Special notice as provided by Articles hereof or Section 190 of the Act shall be required of any resolution to remove a Director under the Article or to appoint some other person in place of Director so removed at the meeting at which he is removed.

c) On receipt of notice of a resolution to remove a Director under this Article, the company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the company) shall be entitled to be heard on the resolution at the meeting.

d) Where notice is given of a resolution to remove a Director under this Article, and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to members of the Company, the Company shall, unless the representations are received by it too late for it to do so (a) in the notice of the resolution given to members of the Company state the fact of the representations to every member of the Company to whom notice of the meeting is sent (before or after the representation by the company) and if a copy of the representation by the company is not sent as aforesaid because they were received too late or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting, Provided that copies of the representations need not be sent or read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.

e) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the company in General Meeting or by the Board in pursuance of Article 137 or Section 262 of the Art be filled by the appointment of another Director in his steady the meeting at which he is removed; Provided special notice of the, intended appointment has been given under sub- clause (3) hereof. A director so appointed shall hold office if he had not been removed as aforesaid.

f) If the vacancy is not filled under, sub-clause (e), it maybe filled as a casual vacancy in accordance with the provisions, in so far as they are applicable or Article 137 or Section 262 of the Act and all the provisions of that Article and Section shall apply accordingly.

g) A Director who was removed from office under this article shall not be reappointed as a Director by the Board of Directors.

h) Nothing contained in this Article shall be taken

   i) As depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as director, or,
   ii) as derogating from any power to remove a Director which may exist apart from this Article.

Disclosure of Interest by Director

147. 1) Every 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 of Directors in the manner provided in Section 299(2) of the Act.

2) a) in the case of a proposed contract or arrangement, the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was, not at the date of meeting, concerned or interested in the proposed contract or arrangement at the first meeting of the Board held after he becomes so concerned or interested in the contract or arrangement.

   b) in case of any other contract or arrangement the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

3) a) For the purpose of clause (1) and (2), a general notice given to the Board by a Director to the effect that he is a Director or a member of a specified body corporate or is a member of a specified firm or is to regarded as concerned or interested in any contract or arrangement or which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of, concern or interest: in relation to any contract or a arrangement so made.

   b) Any such general notice and no renewal thereof shall be of effect unless either it is given at a meeting of the Board, or the Director concerned takes reasonable steps to ensure that it is brought up and read at the first meeting of the Board after it is given.

c) No such general notice and no renewal thereof shall be of effect unless either it is given at a meeting of the Board, or the Director concerned takes reasonable steps to ensure that it is brought up and read at the first meeting of the Board after it is given.
d) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any one or more Directors of the Company together holds or hold not more than two percent of the paid-up share capital in the other company.

ROTATION AND APPOINTMENT OF DIRECTORS

Directors may be Directors of Companies promoted by the company

148. If a Director of the Company becomes a Director of any Company promoted by the company or in which it may become interested as a vendor, shareholder or otherwise, such Director shall not be accountable for any benefits received as a Director or Shareholder of such Company except in so far as Section 309 (6) or Section 314 of the Act may be applicable.

Rotational Directors

149. Subject to the provision of Section 255 of the Act, not less than two-thirds of the total number of Directors shall (a) be persons whose period of office is liable to termination by retirement of Directors by rotation and (b) save as otherwise expressly provided in the Article, be appointed by the Company in General Meeting.

RETIREMENT OF DIRECTORS

150. Subject to the provisions of Section 255 and 256 of the Act, at every annual general meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or multiple of three, the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, Special Directors, subject to Article 159, Managing Directors or wholetime Director, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In these articles, a "Retiring Director" means a Director retiring by rotation.

Ascertainment of Directors retiring by rotation and filling of vacancies

151. Subject to the provision of the Act, the Directors to retire by rotation under Article 149 at every annual general meeting shall be those who have been longest in office since their last appointment but between those who become Directors on the same day and those who are to retire, shall, in default of and subject to any agreement amongst themselves be determined by lot. .

Eligibility for Re- Election

152. A retiring Director shall be eligible for re-election.

Company to fill Vacancies

153. Subject to Section 262 of the Act, the Company at the general meeting at which a Director retires in manner aforesaid may fill up the vacancy by appointing the retiring director or some other person thereto.

Provision in default of appointment

154. a) If the place of retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy; the meeting shall stand adjourned till the same day next week and it the day is a public holiday till the next succeeding day which is not a public-holiday at the same time and place.
b) If at the adjourned meeting also the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:

1) at the meeting or the previous meeting, a resolution for the reappointment of such director has been put to the meeting and lost,
   i) the retiring Director has by a notice in writing addressed to the Company or its Board of directors expressed his unwillingness to be so re-appointed.
   ii) he is not qualified or is disqualified for appointment.
   iii) a resolution whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of the Act, or
   iv) the provision to sub-section (2) of section 263 of the Act is applicable to the case.

Company may Increase or reduce the number of Directors or remove any Directors

155. Subject to the provisions of Sections 252, 255 and 259 of the Act and Article 130, the Company may by ordinary resolution, from time to time, increase or reduce the number of Directors.

Appointment of Directors to be voted Individually

156. 1) No motion at any general meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.
2) A resolution moved in contravention of clause (1) hereof shall be void whether or not objection was taken at the time of its being so moved provided, where a resolution so moved is passed, no provisions for the automatic re-appointment of retiring Directors in default of another appointment as herein before provided, shall apply.
3) For the purpose of this Article a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.

Notice of Candidature for office of Director except in certain cases

157. 1) No person not being a Retiring Director shall be eligible for election to the office of Director at any general meeting unless he or some other member intending to propose him has at least fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of a Director or the intention of such member to propose him as a Director for that office as the case may be along with a deposit of five hundred rupees, which shall be refundable in case, of election as a Director.
2) The Company shall inform its members of the candidature of the person for the office of Director or the intention of a member to propose such person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting. Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the registered office of the Company is located of which one is published in the English language and the other in the regional language of that place.
3) Every person (other than a Director retiring by rotation or otherwise persons who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of Director shall sign and file with the Company his consent in writing to act as a Director if appointed.

4) A person other than:
   a) a director re-appointed after retirement by rotation or immediately on the expiry of his term of office or,
   b) an additional or alternate Director or a person filling a casual vacancy in the office of a Director under Section 262 of the Act appointed as a director or reappointed as an additional or alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar of Companies his consent in writing to act as such Director.

Disclosure by Directors of their holdings of shares and debentures of the Company

158. Every Director and every person deemed to be Director of the Company by virtue of subsection (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that section. Any such notice shall be given in writing and if it is not given at a meeting of the Board, the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the first meeting of the Board next after it is given.

MANAGING DIRECTOR-WHOLE-TIME DIRECTOR

Board may appoint Managing Director or Managing Director(s) or whole-time Directors

159. Subject to the provisions of the Act and these Articles, the Directors shall have power to appoint from time to time one or more of their body to be Managing Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and may, from time to time, (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or other in his or their place or places.

What provisions they will be subject to

160. Subject to the provisions of the Act and these Articles, the Managing Director or the Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 150 but he shall be subject to the provision of any contract between him and the company be subject to the same provisions as to the resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a managing Director or whole-time Director if he ceases to hold the office of Director for any cause, provided that, if at any time the number of Directors, (including Managing Director or whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being then such of the Managing Director or whole-time Director or two or more of them as the Directors may from time to time determine "shall be liable to retirement by rotation in accordance with the Article 150 to the intent that the number of Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being. However, he shall be counted in determining the number of Directors to retire.

Remuneration of Managing or whole-time Director(s)

161. The remuneration of the Managing Director or whole-time Director shall subject to Section 198, 309 and schedule XIII and other applicable provisions of the Act and of these Articles and of any contract between him and the Company be fixed by the Board of Directors, from time to time and may be by way of fixed salary and/or perquisites or commission on profits of the company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

Powers and duties of Managing and or whole-time Director(s)

162. Subject to the superintendence, control and direction of the Board, the day to day Management of the Company shall be in the hands of the Managing Director(s) or whole-time Director(s) appointed under Article 158 with Power to the Board to distribute such day to day management functions among such Director(s) in any manner as deemed fit by the Board and subject the provisions of the Act and these Articles, the Board may by resolution vest with any such Managing Director such of the power 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 and they may subject to the provision of the Act and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the powers of Directors in that behalf and may from time to time revoke, withdraw alter or vary all or any of such powers.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Meetings of Directors

163. The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the proviso to Section 285 of the Act otherwise directs, shall so meet at least once in every quarter. The Directors may adjourn and otherwise regulate their meetings as they think fit. The provision of this article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.

Notices of the Board Meeting

164. Notice of meetings of the Board of Directors of the Company shall be given to every Director for the time being in India and at his/her usual address in India in case of any other Director at such time as may be considered reasonable and practical.

The Directors shall be furnished with the Agenda for the meetings of the Board and committees thereof specifying the matters proposed to be discussed thereat but shall in no case, the discussions in the meeting shall be restricted to the matters specified in the agenda only. The Board is free to discuss any other matter, subject to the approval of the Chairman.

When Meeting to be convened

A Director may at any time and the Secretary upon the request of a Director made at any time shall convene a meeting of the Board of Directors by giving a notice in writing to every Director for the time being in India, to every other Director at his usual address in India or at other address outside India specified by any such Director.

Quorum

165. Subject to the provisions of Section 287 of the Act, the quorum for a meeting of the Board of Directors shall be one-third of the total strength, (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors that is to say, the number of Directors, who are not interested and are present at the meeting, not being less than two shall be the quorum during such time. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the Board of Directors generally.

Procedure when meeting adjourned for want of quorum

166. If a meeting of the Board could not be held for want of quorum then the meeting shall automatically stand adjourned till the same day next week at the same time and time and place or if that day is a public holiday, till the next succeeding day at the same time and place, unless otherwise adjourned to a specific date time and place.

Chairman

167. The Chairman of the Board of Directors shall be such person, as may be appointed, from time to time, by the Board from amongst themselves. The Chairman when present at the Board Meeting will take the Chair. If within fifteen (15) minutes from the scheduled time of the meeting, the Chairman is not present, a substitute Chairman for that meeting shall be elected by the Directors present at such meeting. In case of equality of votes, the Chairman shall have a casting vote.

Question at Board Meeting how decided

168. Subject to the provisions of Section 316, 327(5) and 386 of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes and in case of any equality of votes, the Chairman shall have a second or casting vote.

Powers of Board Meeting

169. A meeting of the Board of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or these Articles or the regulations, for the time being of the Company, are vested in or are exercisable by the Board of Directors generally.

Directors may appoint committees

170. The Board of Directors may, subject to the provisions of Section 292 and other relevant provisions of Act and of these articles, delegate any of the powers other than the powers to make calls and to issue debentures to such committee or committees and may, from time to time, revoke and discharge any such committee of the Board either wholly or in part and either as to the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation that may from time to time be imposed on it by the Board of Directors. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect as if done by the Board.

Delegation of Powers of the Board to Members

170A. The Board shall be entitled to delegate powers to such members of the Board or officers of the Company as may be deemed appropriate subject always to applicable laws and the Memorandum and the Articles.

Meetings of the Committee how to be governed

171. The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable there to and are not superseded by any regulations made by the Directors under the last preceding article.

Circular resolution

172. 1) A resolution passed. by circular without meeting of the Board or a Committee of the Board appointed under the articles, shall subject to the provisions of subclause (2) hereof and the Act be as valid and effectual as the resolution duly passed at a meeting of the Directors or of a Committee duly called and held.

2) A resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, if the resolution, has been circulated in draft together with necessary papers, if any to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee as are then in India, or by a majority of such of them as are entitled to vote on the resolution.

Acts of Board or Committee valid not withstanding defect in appointment

173. All acts, done by any meeting of the Board or by a committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any person acting aforesaid or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly

appointed and was qualified to be a Director Provided nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

POWERS OF THE BOARD

General Powers of Management vested in Directors

174. The Business of the company shall be managed by the Directors who may exercise all such powers of the Company and do all such acts and things as are authorized by the Act, or any other Act or by the Memorandum of Association or by the Articles of Company required to be exercised by the Company in General Meeting subject nevertheless to any regulation of these Articles to the provisions of the Act or any other Act and to such regulation, being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in general meeting, but no regulations made by the company in general meeting shall invalidate any prior act of the Directors which would have been valid it that regulation had not been made PROVIDED THAT, the Board of Directors 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 payment 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 reserves that is to say reserves not set apart for any specific purpose, 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 fifty thousand rupees or five per cent-of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately, preceding, whichever is greater provided that the Company in general meeting or the Board of Directors shall not contribute any amounts to any political party or for any political purpose to any individual or body.

    i) Provided that in respect of the matter referred to in clause (d) and (a) such consent shall be obtained by a resolution of the company which shall specify the total amount upto which moneys may be contributed to any other fund In any financial year under clause (e);
    ii) Provided further that the expression temporary loans in clause (d) above shall mean loans repayable on demand or within six months from date of the loan, such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.

Certain Powers to be exercised by the Board only at meeting

175. 1) without derogating from the powers vested in the Board of Directors under these articles, the Board shall exercise the following powers on behalf of the company and they shall do so only by means of resolutions passed at the meeting of the Board.

a) the power to make calls on shareholders in respect of money unpaid on their shares.
aa) the power to authorize Buy back referred to in the first proviso to clause (b) of sub-section (2) of Section 77A of the act.
b) the power to issue debentures,
c) the power to borrow money otherwise than on debentures.

d) the power to invest the funds of the company.
e) the power to make loans.
f) the power to fill casual vacancies in the Board;
g) the power to approve contracts in which director(s) are interested;
h) the power to sanction inter-corporate loans, investments or giving of guarantees or providing of any security:

Provided that the power to the resolution passed at the meeting may be delegated to any committee of Directors, Managing Directors or any other principal Officer of the Company the powers specified in (c), (d) and (e) of the sub-clause to the extent specified below

2) Every resolution delegating the power referred to in sub-clause (1) (c) shall specify the total amount outstanding at anyone time upto which moneys maybe borrowed by the delegatee.
3) Every resolution delegating the power referred to in sub-clause (1) (d) shall specify the total amount upto which the funds of the Company may be invested and the nature of the investments which maybe made, by the delegatee. \
4) Every resolution delegating the power referred to in sub-clause (1) (c) shall specify the total amount upto which loans may be made by the delegatee the purpose for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

Certain Powers of the Board

176. 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 articles, it is hereby declared that the Directors shall have the following powers that is to say power:

1) to pay the costs, charges and expenses preliminary, and incidental to the formation promotion, establishment and registration of the company.
2) to pay and charge to the Capital Account of the Company any commission or interest, lawfully, payable there out under the provisions of Sections 76 and 206 of the Act.
3) subject to Sections 292 and 297 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, rights 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, 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 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 arrangements entered into by the company by mortgage or charge of all or any of the property, 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, so far as may be permissible by law, a surrender of his shares or any part hereof on such terms and conditions as shall be agreed.
7) to appoint any person to accept and hold in trust for the Company, property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.
8) to institute conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the company, and also to compound and allow time for payment to 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 the terms of any awards made therein either according to Indian Law or according to foreign law and either in India or abroad and observe and perform or

challenge any award made therein.

9) to act on behalf of the Company in all matters relating to bankruptcy and insolvency and winding up and liquidation of Companies.

10) to make and give receipts release and otherwise discharge for moneys payable to the Company and for the claims and demands of the Company.

11) Subject to the provisions of Sections 291, 293(1), 370, 372 and other applicable provisions of the Act and these articles, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investment save as provided in Section 49 of the Act, all investments shall be made and held in the Company's 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 about to incur any personal liability whether as principal or surety for the benefit of the Company, such mortgage of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon.

13) to open bank accounts and to determine, from time to time, who shall be entitled to sign, on the Company's behalf bills, notes, receipt, acceptances, endorsements, cheques, dividend warrants, release contracts and documents and to give the necessary authority for such purpose.

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 Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company.

15) to provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependants or connections of such person by building or contribution to the building of houses, dwellings or chawls or by grants of money, pensions, gratuities, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provide other association, institutions and by providing or subscribing or contributing towards places of instructions and recreation, hospitals, dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the provisions of Section 293(1) (e) of the Act to subscribe or contribute or otherwise to assist or to guarantee money 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 the 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 the depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special or other fund or funds or account or accounts to meet contingencies or to repay redeemable preference shares, debentures or debenture stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any part 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 interests of the Company and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments (other than shares of this Company) as they may think fit and from time to time to deal with or vary such investments and dispose of and 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 its absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part there of may be matters to or upon which the capital moneys of the company might rightly be applied or expended and to divide the General Reserve or Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund and / or division of a Reserve Fund and with full 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 purchases or repayment of redeemable preference shares debentures or debenture stocks 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.

17) to appoint and at their discretion remove or suspend general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research

workers, labourers, clerks, agents, and servants for permanent temporary or special service as they may from time to time think fit and to determine their powers and duties and to fix their salaries, or emoluments or remuneration and to require security in such amounts as they may think fit and also from time to time to provide for the management and transactions of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit.

18) 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 person to be members of such local Boards or manager or agencies and to fix their remuneration.

19) subject to Section 292 and 293 of the Act, from time to time and at any time, to delegate to any persons 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 member for the time being of any such Local Board or any of them to fill up any vacancies therein and to act notwithstanding vacancies and such appointment or delegation may be made on such terms subject to such conditions as the Board may think fit and the Board may at any time remove any persons so appointed and may annul or vary and such delegation.

20) 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 appointments may (if the Board thinks fit) be made in favour of the members or any of the members of any local board established as aforesaid or in favour of any company or the shareholders, Directors, nominees or manager 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 powers of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit and may contain powers enabling any such delegated attorneys as aforesaid to sub delegate all or any of the powers, authorities and discretion for the time being vested in them.

21) subject to Sections 294,297,300 and other applicable provisions of the Act 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.

22) from time to time to make vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.

23) to purchase or otherwise acquire any lands, building, machinery, premises hereditament property, effects, assets, right credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorised to carry on in any part of India.

24) to purchase, take on lease for any term or terms of years or otherwise acquire any factories or land or lands with or without buildings and out houses thereon situate in any out part of India at such price or rent and under and subject to such terms and conditions as the Directors may think fit and in any such purchase, lease or other acquisition, to accept such title as the, Director may believe or may be advised to be reasonably satisfactory.

25) to insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings machinery, goods stores, produce and other movable property of the Company, either separately or co-jointly also to insure all or any portion of the goods produced machinery and other articles imported or exported by the company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.

26) to purchase or otherwise acquire or obtain licence for the use of and to sell exchange or grant licence for the use of any trade mark, patent, invention or technical know how.

27) to sell, from time to time, any articles, materials, machinery, plants, stores and other articles and things belonging to the company as the Board may think proper and to manufacture, prepare and sell waste and by-products.

28) from time to time, extend the business undertaking of the Company by adding to, altering or enlarging all or any of the building factories, workshops, premises, plant and machinery for the time being the property of or in the possession of the Company or by erecting new or additional buildings and to expend such sum of money for the purposes aforesaid or any of them as may be thought necessary or expedient.

29) to undertake on behalf of the company any payment of all rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions and otherwise to acquire any estate whether lease hold or freehold.

30) to improve, manage, develop, exchange, lease, sell, re-sell and repurchase, dispose of, deal or otherwise turn to accost if any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.

31) to let, sell or otherwise dispose of subject to the provisions of Section 292(3) of the Act and of the other Articles, any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions, in all respects as it thinks fit and to accept payment of satisfaction for the same in cash or otherwise as it thinks fit.

THE SEAL

Custody of the Seal

181. 1) The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu there of and the Board shall provide for the safe custody of the seal for the time being under such regulations as the Board may prescribe.

2) The Seal shall not be affixed to any instrument except by the authority of the Board of Directors or a Committee of the Board previously given and in the presence of at least two Directors of the Company or at least one Director and any other person duly authorised by the Board both of whom shall sign every instrument to which the seal is affixed. Provided further that, the Certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 and their statutory modifications for the time being In force.

DIVIDEND

Division of profits

182. 1) Subject to the rights of persons if any entitled to shares with special rights as to dividends all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect where of the dividend is paid but if and so long as nothing is paid upon any of shares in the Company dividends may be declared and paid according to the amounts of the shares.

2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this regulation as paid on the share.

The Company in general meeting may declare dividends

183. The company in general meeting may declare dividends to be paid to members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act but no dividends shall exceed the amount recommended by the Board and the Company may declare a smaller dividend in general meeting.

Dividends out of Profits Only

184. No dividend shall be payable except out of the profits of the company arrived at in the manner provided for in section 205 of the Act.

Interim Dividend

185. The Board of Directors may, from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.

Debts may be deducted

186. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists subject to section 205 of the Act.

Capital paid-up in advance at interest not to earn dividend

187. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest such capital shall not whilst carrying interest confer a right to dividend or to participate in profits.

Dividends In proportion to amount paid up

188. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any period or portions of the periods in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.

No member to receive dividend whilst indebted to the company and the company's right of reimbursement thereof

189. No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or bonus in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any member all such sums of money so due from him to the Company.

Effects of Transfer of Shares

190. A transfer of shares shall not pass the right to any dividend declared therein before the registration of the transfer. The right to dividend shall be regulated by Section 206(A) of the Act.

Dividends to Joint Holders

191. Anyone of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.

Dividends how remitted

192. The dividend payable in cash may be paid by Cheque or Warrant sent through post direct to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders which is first named on the register of members or the joint holder may in writing direct. The Company shall not be liable or responsible for any Cheque or warrant or pay slip or receipt lost in transmission or for any dividend lost to the member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

193. Notice of the Declaration of any dividend whether Interim or otherwise shall be given to the registered holders of share in the manner here in provided.

Reserves

194. The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors be applicable for meeting contingencies or for any other purpose to which the profits of the

company may be properly applied and pending such application may, at the like discretion, either be employed in the business of the company or be invested In such Investments (other than shares of the Company) as the Directors may from time to time think fit.

Dividend to be paid within 30 days

195. The Company shall pay the dividend or send the warrant in respect thereof to the shareholders entitled to the payment of dividend within thirty days from the date of the declaration unless:

a) where the dividend could not be paid by reason of the operation of any law.
b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be compiled with.
c) where there is a dispute regarding the right to receive the dividend.
d) where the dividend has been lawfully adjusted by the company against any sum due to it from shareholder or
e) where for any other reason, the (failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

Unclaimed dividend

196. Where the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted within 42 days from the date of declaration to any shareholder entitled to the payment of the Dividend, the Company shall within 7 days from the date of expiry of the said period of 42 days, open a special account in that behalf in any scheduled bank, to be called "Unpaid Dividend of Great Eastern Energy Corporation Limited" and transfer to the said account, the total amount of Dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred by the Company to the investor education and protection fund established by the Central Government. A claim to any money so transferred to the general revenue account may be preferred to the Central Government / Committee appointed by the shareholders to whom the money is due.

No unclaimed or unpaid divided shall be forfeited by the Board before the claim becomes barred by law.

No Interest on Dividends

197. Subject to the provisions of Section 205A of the Companies Act, 1956, no dividend shall bear interest as against the Company.

Set off of call

198. Any general meeting declaring a dividend may on the recommendations of the Directors make call on the members of such amount as the meeting fixed but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the company and the members, be set off against the calls.

Dividend in Cash

199. No dividend shall be payable except in cash, provided that nothing this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by members of the Company.

CAPITALISATION

200. 1) The company in General Meeting may, upon the recommendation of the Board resolve:

a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit, of the profit and loss account or otherwise available for distribution and

b) that such sum be accordingly set free for distribution in the manner specified in Clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

2) The sum aforesaid shall not be paid in cash but shall be applied subject to the provision contained in the Clause (3) either in or towards.
   i) paying up any amount for the time being un-paid on any shares held by such members respectively;
   ii) Paying up in full unissued shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid ;
   iii) Partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (ii).
3) A share premium account and a Capital Redemption Reserve Account may, for the purpose of this regulation only be applied in the paying up unissued share to be issued to members of the company as fully paid bonus shares.
4) The Board shall give effect to the resolution passed by the Company in pursuance of the regulation.

Fractional certificates

201. 1) Whenever such a resolution as aforesaid shall have been passed, the Board shall

a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares and
b) generally do all acts and things required to give effect thereto:

2) The Board shall have full power:

a) to make such provisions by the issue of fractional cash certificates or by payment in cash otherwise as it thinks fit, in the case of shares becoming distributable in fractions also;
b) to authorise any person to enter, on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisiation or (as the case may require) for the payment by the company on their behalf, by the application thereof of their respective proportions of. the profits resolved to be capitalised of the amounts remaining unpaid on their existing shares.

3) Any agreement made under such authority shall be effective and binding on all such members.

4) For the purpose of giving effect to any resolution under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of hew equity shares and fractional certificates as they think fit.

ACCOUNTS

Books to be kept

202. 1) The company shall keep at its registered office proper book of accounts as would give a true and fair view of the state of affairs of the Company or its transaction with respect to:
   a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place
   b) all sales and purchases of goods by the Company
   c) the assets and liabilities of the Company, and

d) if so required by the Central Government such particulars relating to utilisation of material or labour or together items of cost as may be prescribed by that Government
PROVIDED THAT all or any of the books of accounts aforesaid may be kept at such other place in India as the Board of Directors may decide and when, the Board of Directors so decide the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

2) Where the company has a branch office, whether in or outside India, the Company shall be deemed to have compiled with the provisions of clause (1), if proper books of accounts relating to the transactions effected at the branch are kept at that office and proper summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its registered office or the other place referred to in sub-clause (1). The books of accounts and other books and paper shall be open to inspection by any Director during business hours.

Inspection by Members

203. a) The Directors 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 for the inspection of members not being Directors.
b) No member (not being a Director) shall have any right of inspecting any account books or documents of the company except as allowed by law or authorised by the Board.

Statements of Accounts to be furnished to general meeting

204. The Board of Directors shall, from time to time, in accordance with Sections 210, 211, 212, 216 and 217 of the Act, cause to be prepared and laid before each annual general meeting a profit and loss account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months, or such extended period as shall have been granted by the Registrar of Companies under the provisions of the Act.

Right of members to copies of Balance Sheet and Auditor' Report

205. Any member or holder of debentures of the Company whether he is or is not entitled to have copies of the Company's Balance sheet sent to him shall, on demand be entitled to be furnished without charge, and any person from whom the company has accepted a sum of money by way of deposit, shall on demand accompanied by the payment of a fee of Re. 1/- (one rupee), be entitled to be furnished, with a copy of balance sheet of the Company and of every document required bylaw to be annexed or attached thereon including the profit and Loss Account and the Auditors' and Directors' Report.

AUDIT

Accounts to be audited

206. Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the Profit and Loss Account and Balance Sheet ascertained by one or more Auditor or Auditors.

Appointment of Auditors

207. (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Sections 224 to 229 and 231 of the Act.

(2) The company shall at each annual general meeting appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting and shall within seven days of the appointment give intimation there of to the Auditor so appointed less he is retiring Auditor.
(3) At any annual general meeting a Retiring Auditor, by what ever authority appointed shall be reappointed unless:

a) he is not qualified for re-appointment,

b) he has given the Company notice in writing of his unwillingness to be re- appointed,
c) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed or
d) where notice has been given of an intended resolution to appoint some persons or person in the place of a retiring Auditor and by reason of the death, in capacity of disqualification of that person or of all those, persons as the case- may be, the Resolution cannot be proceeded with

(4) where at annual general meeting no Auditor is appointed or re-appointed the Central Government may appoint a person to fill the vacancy.
(5) The Company shall, within seven days of the Central Government's power under the sub clause (4) becoming exercisable give notice of that fact to that Government.
(6) The Directors may fill any casual vacancy in the office of the Auditor, but while any such vacancy continues, the serving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of an Auditor the vacancy shall only be filled by the company in a general meeting.
(7) A person other than a retiring Auditor, shall not be capable of being appointed at an annual general meeting unless a special notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to retiring Auditor and shall give notice thereof to the members in accordance with Section 225 of the Act. The provisions of this sub-clause shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that retiring Auditor shall not be reappointed.

Account when audited and approved to be conclusive except as to errors discovered within 3 months

208. Every account when audited and approved by Annual general meeting shall be conclusive except as regards any errors discovered therein within three months next after the approval thereof. Whenever, any such error is discovered within that period the account shall be corrected and henceforth shall be conclusive.

REGISTERS AND DOCUMENTS

Registers and documents to be maintained by the company

213. The Company shall keep and maintain Registers, books and documents required by the Act or these articles including the following:
(1) Register of investments made by the Company but not held in its own name, as required by Section 49(7) of the Act.
(2) Register of Mortgages and charges as required by Section 143 of the Act and copies of instruments creating any change requiring registration according to Section 136 of the Act.
(3) Register and index of members and debentures holders as required by Sections 150, 151 and 152 of the Act. The Register and Index of beneficial Owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members and Debenture holders for the purpose of the Act.

(4) Foreign Register, it so thought fit, as required by section 167 of the Act.
(5) Register of contracts, with Companies and firms in which Directors are interested as required by Section 301 of the Act.
(6) Register of Directors, and Secretary etc. as required by Section 303 of the Act.
(7) Register as to holdings by Directors of shares and/or debentures In the Company as required by Section 307 of the Act.
(8) Register of investments made by the Company In shares and debentures of the bodies Corporate in the same group as required by Section 372A of the Act.
(9) Copies of Annual Returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act.

Inspection of Registers

214. The Register mentioned in clauses 6 and 9 of the foregoing Article and the minutes of all proceedings of general meetings, shall be open to inspection and extracts may be taken there from and copies thereof may be acquired by any member of the Company in the same manner to the same extent and on payment of the same fees as in case of the Register of Members of the Company, provided for in Clause 3, thereof, copies of entries in the Registers mentioned in the foregoing article shall be furnished to the persons entitled to the some on such days and during such business hours as may consistently with the provisions of act in that behalf be determined by the Company in general meeting.

WINDING UP

Distribution of assets

215. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding up on the shares held by them respectively, and if in a winding up the assets available for distribution among the members shall be more than sufficient to re-pay the whole of the capital paid-up at the commencement of the winding up. The excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid-up or which ought to have been paid-up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Distribution In specie or kind

216. 1) If the Company shall be wound up, whether voluntarily or otherwise the liquidator may with the sanction of a special resolution divide amongst the contributories in specie or kind any part 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 or any of them as the Liquidator with the like sanction shall think fit.

2) If thought expedient any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories except where unalterably fixed by the Memorandum of Association and in particular any class may by given preferential or special rights or may be excluded altogether or in part but incase any division otherwise than in accordance with the legal rights of the contributories shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary right as if such determination were a special resolution passed pursuant to Section 494 of the Act.
3) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the liquidator shall if practicable act accordingly.

Right of shareholders in case of sale

217. A special resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in the like manner as aforesaid determine that any shares or other consideration receivable by the liquidator be distributed against the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequently rights conferred by the said sanction.

Directors' and other rights to Indemnity

218. Subject to the provisions of Section 201 of the Act, every Director, or Officer, or servant of the Company or

any person (whether an officer of the Company of the Company of not) employed by the Company as auditor shall be indemnified by the Company out of the funds of the Company, to pay bonafide all costs, charges, losses, and damages which any such person may incur or become liable to, by reason of any contract entered into to any act, deed matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustained through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Officer or Auditor or other Officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which relief is granted to him by the court.

SECRECY CLAUSE

Secrecy Clause

220. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Director, before entering upon his duties sign a declaration pledging himself to observe a strict secrecy, respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions, in these presents contained.

No member to enter the promises of the Company without permission

221. No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director or to inquire, discover of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company to disclose.

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 RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from 10.00 a.m. to 4.00 p.m. on Business Days, from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts to the Issue

1. Letters of appointment, dated December 6, 2008, December 24, 2008 and December 22, 2008 to Enam, ABN AMRO and SBI Caps, respectively, from our Company appointing them as the Book Running Lead Managers.
2. Memorandum of Understanding between our Company, the Selling Shareholders and the Book Running Lead Managers, dated December 24, 2008.
3. Memorandum of Understanding between our Company, Selling Shareholders and Registrar to the Issue, dated December 19, 2008.
4. Escrow Agreement, dated [•], 2009 between our Company, the Book Running Lead Managers, the Escrow Banks and the Registrar to the Issue.
5. Syndicate Agreement, dated [•], 2009 between our Company, the Book Running Lead Managers and the Syndicate Members.
6. Underwriting Agreement, dated [•], 2009 between our Company, the Book Running Lead Managers and Syndicate Members.
7. Agreement, dated March 11, 2005 between NSDL, our Company and the Registrar to the Issue.
8. Agreement, dated [•], 2009 between CDSL, our Company and the Registrar to the Issue.
9. In-principle listing approval, dated [•], 2009 and [•], 2009 from the BSE and NSE respectively.
10. Due diligence certificate, dated December 24, 2008 to SEBI from Enam, ABN AMRO and SBI Caps.

Material Documents

1. Our Memorandum and Articles, as amended from time to time.
2. Our certificate of incorporation dated May 29, 1992.
3. Board resolution, dated August 6, 2008 authorizing the Issue.
4. Shareholders' resolution, dated September 8, 2008 authorizing the Issue.
5. Board resolution of YKM Holdings Private Limited dated October 3, 2008 authorizing the transfer of 7,103,174 Equity Shares in the Offer for Sale.
6. Board resolution of YKM Holdings International Limited dated October 10, 2008 authorizing the transfer of 37,000,000 Equity Shares underlying 7,400,000 GDRs of the Company in the Offer for Sale.
7. Letter of Mr. Sanjit Bakshi dated October 21, 2008 for consent to transfer 896,826 Equity Shares in the Offer for Sale.
8. Board resolution, dated February 19, 2007 fixing remuneration of our Chairman and Managing Director.

9. Summary of Restated Assets and Liabilities and Summary Restated Profit & Loss Account, and Cash Flow Statement as per Restated Financial Statements, as restated as per SEBI Guidelines and the Company's Act as at and for Fiscal 2004, 2005, 2006, 2007 and 2008 and the three months period ended June 30, 2008.

10. Audited financial statements for Fiscals 2004, 2005, 2006, 2007, 2008 and for the three months period ended June 30, 2008.

11. Copies of annual reports of our Company for Fiscals 2004, 2005, 2006, 2007 and 2008.

12. Certificate on tax benefits dated December 23, 2008 issued by the Auditors.

13. Consent of our Auditors for inclusion of examination report on restated financial statements and auditor's report on audited financial statements both as at and for the Financial for Fiscal 2004, 2005, 2006, 2007, 2008 and the three months ended June 30, 2008 in the form and context in which they appear in this Draft Red Herring Prospectus.

14. Consents of NSAI, Bankers to our Company, BRLMs, Registrar to the Issue, Domestic Legal Counsel to our Company, Domestic Legal Counsel to the BRLMs, International Legal Counsel to the Issue, Directors, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

15. Report of the NSAI dated June 1, 2007.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors of the Company, our Chief Financial Officer and our Chief Executive Officer, certify that 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, applicable, 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 the rules made or guidelines issued thereunder, as the case may be, and that all approvals and permissions required to carry on the business of our Company have been obtained, are currently valid and have been complied with. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- Mr. Yogendra Kumar Modi	Sd/- Mr. Kashi Nath Memani
Sd/- Mr. Paul Sebastian Zuckerman	Sd/- Mr. Haigreve Khaitan
Sd/- Mr. Pejavar Murari	

SIGNED BY THE SELLING SHAREHOLDERS

We certify that all statements in respect of the Selling Shareholders are true and correct.

Sd/- YKM Holdings Private Limited*	Sd/- YKM Holdings International Limited*
Sd/- Mr. Sanjit Bakshi*	

*through authorised signatories

SIGNED BY THE CHIEF EXECUTIVE OFFICER

Sd/-
Mr. Yogendra Kumar Modi

SIGNED BY THE CHIEF FINANCIAL OFFICER

Sd/-
Mr. S. Suriyanarayanan

Date: December 24, 2008
Place: Gurgaon

NETHERLAND, SEWELL & ASSOCIATES, INC.
WORLDWIDE PETROLEUM CONSULTANTS
ENGINEERING • GEOLOGY • GEOPHYSICS • PETROPHYSICS

CHAIRMAN EMERITUS
CLARENCE M. NETHERLAND
CHAIRMAN & CEO
FREDERIC D. SEWELL
PRESIDENT & COO
C.H. (SCOTT) REES III

EXECUTIVE COMMITTEE
G. LANCE BINDER - DALLAS
DANNY D. SIMMONS - HOUSTON
P. SCOTT FROST - DALLAS
DAN PAUL SMITH - DALLAS
JOSEPH J. SPELLMAN - DALLAS
THOMAS J. TELLA II - DALLAS

June 1, 2007

Mr. Y. K. Modi
Chairman and Chief Executive Officer
Great Eastern Energy Corporation Ltd.
Signature Towers - A, 14th Floor
South City, NH-8
Gurgaon 122001
India

Dear Mr. Modi:

In accordance with your request, we have conducted an assessment of the unrisked gross (100 percent) contingent and prospective resources, as of June 1, 2007, for certain coalbed methane (CBM) properties located in the Great Eastern Energy Corporation Ltd. (GEECL) CBM concession in Raniganj Field, West Bengal, India. The concession covers an area of 210 square kilometers. It is our understanding that the concession agreement has a term of 35 years from May 31, 2001. These estimates of contingent and prospective resources have been prepared in accordance with the 2000 petroleum resources definitions approved by the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), and American Association of Petroleum Geologists (AAPG). No economic analysis has been performed on these resources at this time.

CONTINGENT RESOURCES

Contingent resources are those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable. It is our understanding that GEECL is investigating commercialization of produced gas through several markets; however, at this time there is no executed commitment or historical revenue and expense data establishing an existing market and realized price. Any documentation of an executed commitment should outline (1) how the customer will receive the project's produced gas, including details on rates/volumes to be delivered, (2) the price to be received by GEECL, and (3) any agreed upon fee structure for transporting produced gas to the sales point. Provided this contingency is met, the low, best, and high estimate contingent resources would correspond to SPE, WPC, and AAPG definitions of proved, proved plus probable, and proved plus probable plus possible reserves, respectively.

We estimate the unrisked gross (100 percent) contingent resources for these properties, as of June 1, 2007, to be:

Category	Unrisked Gross (100 Percent) Contingent Gas Resources (MMCF)
Low Estimate	373.8
Best Estimate	1,356.5
High Estimate	1,778.1

The contingent gas resources shown represent unprocessed gas and do not include any shrinkage attributed to plant processing. Gas volumes are expressed in millions of cubic feet (MMCF) at standard temperature and pressure bases.

PROSPECTIVE RESOURCES

The prospective resources included in this report indicate exploration opportunities and development potential in the event a commercial discovery is made and should not be construed as reserves.

We estimate the unrisked gross (100 percent) prospective resources for these properties, as of June 1, 2007, to be:

Category	Unrisked Gross (100 Percent) Gas Resources (MMCF)
Low Estimate	33,330.8
Best Estimate	88,754.4
High Estimate	238,972.4

Gas volumes are expressed in millions of cubic feet (MMCF) at standard temperature and pressure bases.

It should be understood that the prospective resources discussed and shown herein are those undiscovered, highly speculative resources estimated beyond proved, probable, and possible reserves or contingent resources where geological and geophysical data suggest the potential for discovery of gas but where the level of proof is insufficient for classification as reserves or contingent resources. The unrisked prospective resources are those volumes that could reasonably be expected to be recovered upon the successful exploration and development of this concession.

SUMMARY

The contingent and prospective resources shown in this report have been estimated using a combination of deterministic and probabilistic methods. For the low estimate resources, there is at least a 90 percent probability that the quantities of gas actually recovered will equal or exceed the estimated amounts. The best estimate resources correspond to a measure of the central tendency of the uncertainty distribution, represented herein as the median value. For the high estimate resources, there is at least a 10 percent probability that the quantities of gas actually recovered will equal or exceed the estimated amounts. Contingent and prospective resources shown in this report are dependent upon demonstrated commerciality and should not be construed as reserves. Definitions of resources categories are presented immediately following this letter.

Geologic data received for this evaluation consisted of structure maps, coal isopach maps, core hole location maps, stratigraphic cross sections, the available electronic log files from 23 wells drilled by GEECL, data for core holes drilled in the field area, and a December 2005 report by Schlumberger. An analysis of the coals was made utilizing the log and core hole data. Gas content data for the coals were available in two early wells, the Suraj 1 and Kalidaspur 1, along with 6 additional core holes drilled by GEECL. A Langmuir isotherm relating gas content to pressure was derived from the gas content data for the core holes. The pressure at each coal was calculated assuming that the groundwater level was within 100 meters of the surface. A freshwater gradient of 0.433 psi per foot was assumed for the pressure calculation. An average ash content of 27 percent and an average coal density of 1.5 grams per cubic centimeter were determined from the well data. An estimate of the volume of original gas-in-place (OGIP) was calculated for each of the coals and summed for each well to determine OGIP per acre for each core hole and drillwell for which coal thickness data were available. The total coal OGIP was posted on and used to contour the resulting map shown in Figure 1. Our estimate of OGIP is 1,920 billion cubic feet. Based on our knowledge of similar plays, a range of expected drainage areas and recovery factors was applied to the locations provided by GEECL. The resulting probabilistic distribution establishes the aggregate of the contingent and prospective resources low, best, and high estimates listed in the tables above.

NETHERLAND, SEWELL & ASSOCIATES, INC.

For the purposes of this report, we did not perform any field inspection of the properties. We have not investigated possible environmental liability related to the properties.

The resources shown in this report are estimates only and should not be construed as exact quantities. They may or may not be recovered, and, because of governmental policies and uncertainties of supply and demand, the actual production rates may vary from assumptions made while preparing this report. These resources are for undeveloped locations and wells with limited production histories. Therefore, these resources are based on estimates of reservoir volumes and recovery efficiencies along with analogy to properties with similar geologic and reservoir characteristics. It may be necessary to revise these estimates as additional performance data become available. Also, estimates of resources may increase or decrease as a result of future operations.

In evaluating the information at our disposal concerning this report, we have excluded from our consideration all matters as to which the controlling interpretation may be political, socioeconomic, legal, or accounting, rather than engineering and geologic. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geologic data; therefore, our conclusions necessarily represent only informed professional judgment.

The data used in our estimates were obtained from Great Eastern Energy Corporation Ltd., public data sources, and the nonconfidential files of Netherland, Sewell & Associates, Inc. and were accepted as accurate. Supporting geologic, field performance, and work data are on file in our office. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these properties and are not employed on a contingent basis.

Sincerely,

NETHERLAND, SEWELL & ASSOCIATES, INC.

/s/ Frederic D. Sewell, P.E.
By:
Frederic D. Sewell, P.E.
Chairman and Chief Executive Officer

/s/ Danny D. Simmons, P.E.
By:
Danny D. Simmons, P.E.
Executive Vice President

Date Signed: June 1,2007

/s/ David E. Nice, P.G.
By:
David E. Nice, P.G.
Vice President

Date Signed: June 1,2007

WKB:SRM

Please be advised that the digital document you are viewing is provided by Netherland, Sewell & Associates Inc. (NSAI) as a convenience to our clients. The digital document is intended to be substantively the same as the original signed document maintained by NSAI. The digital document is subject to the parameters, limitations, and conditions stated in the original document. In the event of any differences between the digital document and the original document, the original document shall control and supersede the digital document.

NETHERLAND, SEWELL & ASSOCIATES, INC.

PETROLEUM RESOURCES CLASSIFICATION SYSTEM AND DEFINITIONS

Approved by the Society of Petroleum Engineers, World Petroleum Council, and
American Association of Petroleum Geologists, February 2000

Estimates derived under these definitions rely on the integrity, skill, and judgement of the evaluator and are affected by the geological complexity, stage of exploration or development, degree of depletion of the reservoirs, and amount of available data. Use of the definitions should sharpen the distinction between various classifications and provide more consistent resources reporting.

DEFINITIONS

The resource classification system is summarized in Figure 1 and the relevant definitions are given below. Elsewhere, resources have been defined as including all quantities of petroleum which are estimated to be initially-in-place; however, some users consider only the estimated recoverable portion to constitute a resource. In these definitions, the quantities estimated to be initially-in-place are defined as Total Petroleum-initially-in-place, Discovered Petroleum-initially-in-place and Undiscovered Petroleum-initially-in-place, and the recoverable portions are defined separately as Reserves, Contingent Resources and Prospective Resources. In any event, it should be understood that reserves constitute a subset of resources, being those quantities that are discovered (i.e. in known accumulations), recoverable, commercial and remaining.

Total Petroleum-lnitially-in-Place. Total Petroleum-initially-in-place is that quantity of petroleum which is estimated to exist originally in naturally occurring accumulations. Total Petroleum-initially-in-place is, therefore, that quantity of petroleum which is estimated, on a given date, to be contained in known accumulations, plus those quantities already produced therefrom, plus those estimated quantities in accumulations yet to be discovered. Total Petroleum-initially-in-place may be subdivided into Discovered Petroleum-initially-in-place and Undiscovered Petroleum-initially-in-place, with Discovered Petroleum-initially-in-place being limited to known accumulations.

It is recognized that all Petroleum-initially-in-place quantities may constitute potentially recoverable resources since the estimation of the proportion which may be recoverable can be subject to significant uncertainty and will change with variations in commercial circumstances, technological developments and data availability. A portion of those quantities classified as Unrecoverable may become recoverable resources in the future as commercial circumstances change, technological developments occur, or additional data are acquired.

Discovered Petroleum-lnitially-in-Place. Discovered Petroleum-initially-in-place is that quantity of petroleum which is estimated, on a given date, to be contained in known accumulations, plus those quantities already produced therefrom. Discovered Petroleum-initially-in-place may be subdivided into Commercial and Sub-commercial categories, with the estimated potentially recoverable portion being classified as Reserves and Contingent Resources respectively, as defined below.

Reserves. Reserves are defined as those quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward. Reference should be made to the full SPE/WPC Petroleum Reserves Definitions for the complete definitions and guidelines.

Estimated recoverable quantities from known accumulations which do not fulfil the requirement of commerciality should be classified as Contingent Resources, as defined below. The definition of commerciality for an accumulation will vary according to local conditions and circumstances and is left to the discretion of the country or company concerned. However, reserves must still be categorized according to the specific criteria of the SPE/WPC definitions and therefore proved reserves will be limited to those quantities that are commercial under current economic conditions, while probable and possible reserves may be based on future economic conditions. In general, quantities should not be classified as reserves unless there is an expectation that the accumulation will be developed and placed on production within a reasonable timeframe.

PETROLEUM RESOURCES CLASSIFICATION SYSTEM AND DEFINITIONS

Approved by the Society of Petroleum Engineers, World Petroleum Council, and
American Association of Petroleum Geologists, February 2000

In certain circumstances, reserves may be assigned even though development may not occur for some time. An example of this would be where fields are dedicated to a long-term supply contract and will only be developed as and when they are required to satisfy that contract.

Contingent Resources. Contingent Resources are those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable.

It is recognized that some ambiguity may exist between the definitions of contingent resources and unproved reserves. This is a reflection of variations in current industry practice. It is recommended that if the degree of commitment is not such that the accumulation is expected to be developed and placed on production within a reasonable timeframe, the estimated recoverable volumes for the accumulation be classified as contingent resources.

Contingent Resources may include, for example, accumulations for which there is currently no viable market, or where commercial recovery is dependent on the development of new technology, or where evaluation of the accumulation is still at an early stage.

Undiscovered Petroleum-lnitially-in-Place. Undiscovered Petroleum-initially-in-place is that quantity of petroleum which is estimated, on a given date, to be contained in accumulations yet to be discovered. The estimated potentially recoverable portion of Undiscovered Petroleum-initially-in-place is classified as Prospective Resources, as defined below.

Prospective Resources. Prospective Resources are those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations.

Estimated Ultimate Recovery. Estimated Ultimate Recovery (EUR) is not a resource category as such, but a term which may be applied to an individual accumulation of any status/maturity (discovered or undiscovered). Estimated Ultimate Recovery is defined as those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from an accumulation, plus those quantities already produced therefrom.

Aggregation. Petroleum quantities classified as Reserves, Contingent Resources or Prospective Resources should not be aggregated with each other without due consideration of the significant differences in the criteria associated with their classification. In particular, there may be a significant risk that accumulations containing Contingent Resources or Prospective Resources will not achieve commercial production.

Range of Uncertainty. The Range of Uncertainty, as shown in Figure 1, reflects a reasonable range of estimated potentially recoverable volumes for an individual accumulation. Any estimation of resource quantities for an accumulation is subject to both technical and commercial uncertainties, and should, in general, be quoted as a range. In the case of reserves, and where appropriate, this range of uncertainty can be reflected in estimates for Proved Reserves (1P), Proved plus Probable Reserves (2P) and Proved plus Probable plus Possible Reserves (3P) scenarios. For other resource categories, the terms Low Estimate, Best Estimate and High Estimate are recommended.

The term “Best Estimate” is used here as a generic expression for the estimate considered to be the closest to the quantity that will actually be recovered from the accumulation between the date of the estimate and the time of abandonment. If probabilistic methods are used, this term would generally be a measure of central tendency of the uncertainty distribution (most likely/mode, median/P50 or mean). The terms “Low Estimate” and “High Estimate” should provide a reasonable assessment of the range of uncertainty in the Best Estimate.

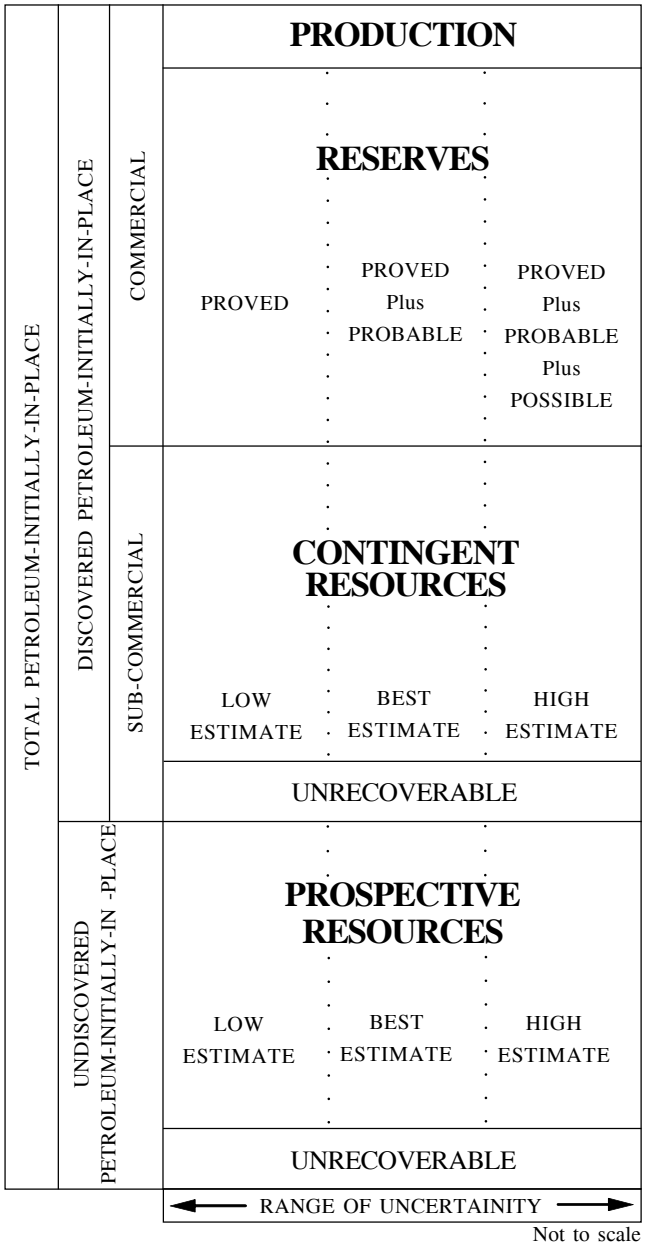
PETROLEUM RESOURCES CLASSIFICATION SYSTEM AND DEFINITIONS

Approved by the Society of Petroleum Engineers, World Petroleum Council, and
American Association of Petroleum Geologists, February 2000

For undiscovered accumulations (Prospective Resources) the range will, in general, be substantially greater than the ranges for discovered accumulations. In all cases, however, the actual range will be dependent on the amount and quality of data (both technical and commercial) which is available for that accumulation. As more data become available for a specific accumulation (e.g. additional wells, reservoir performance data) the range of uncertainty in EUR for that accumulation should be reduced.

RESOURCES CLASSIFICATION SYSTEM
Graphical Representation

FIGURE 1 - RESOURCES CLASSIFICATION SYSTEM



Not to scale

Figure 1 is a graphical representation of the definitions. The horizontal axis represents the range of uncertainty in the estimated potentially recoverable volume for an accumulation, whereas the vertical axis represents the level of status/maturity of the accumulation. Many organizations choose to further subdivide each resource category using the vertical axis to classify accumulations on the basis of the commercial decisions required to move an accumulation towards production.

As indicated in Figure 1, the Low, Best and High Estimates of potentially recoverable volumes should reflect some comparability with the reserves categories of Proved, Proved plus Probable and Proved plus Probable plus Possible, respectively. While there may be a significant risk that sub-commercial or undiscovered accumulations will not achieve commercial production, it is useful to consider the range of potentially recoverable volumes independently of such a risk.

If probabilistic methods are used, these estimated quantities should be based on methodologies analogous to those applicable to the definitions of reserves; therefore, in general, there should be at least a 90% probability that, assuming the accumulation is developed, the quantities actually recovered will equal or exceed the Low Estimate. In addition, an equivalent probability value of 10% should, in general, be used for the High Estimate. Where deterministic methods are used, a similar analogy to the reserves definitions should be followed.

As one possible example, consider an accumulation that is currently not commercial due solely to the lack of a market. The estimated recoverable volumes are classified as Contingent Resources, with Low, Best and High estimates. Where a market is subsequently developed, and in the absence of any new technical data, the accumulation moves up into the Reserves category and the Proved Reserves estimate would be expected to approximate the previous Low Estimate.

Approved by the Board of Directors, Society of Petroleum Engineers (SPE) Inc., the Executive Board, World Petroleum Council (WPC, formerly World Petroleum Congresses), and the Executive Committee, American Association of Petroleum Geologists (AAPG), February 2000. (Reprinted with permission.)

PETROLEUM RESERVES DEFINITIONS

Approved by the Society of Petroleum Engineers and World Petroleum Council, March 1997

Reserves derived under these definitions rely on the integrity, skill, and judgment of the evaluator and are affected by the geological complexity, stage of development, degree of depletion of the reservoirs, and amount of available data. Use of these definitions should sharpen the distinction between the various classifications and provide more consistent reserves reporting.

DEFINITIONS

Reserves are those quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward. All reserve estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

The intent of the Society of Petroleum Engineers (SPE) and World Petroleum Council (WPC, formerly World Petroleum Congresses) in approving additional classifications beyond proved reserves is to facilitate consistency among professionals using such terms. In presenting these definitions, neither organization is recommending public disclosure of reserves classified as unproved. Public disclosure of the quantities classified as unproved reserves is left to the discretion of the countries or companies involved.

Estimation of reserves is done under conditions of uncertainty. The method of estimation is called deterministic if a single best estimate of reserves is made based on known geological, engineering, and economic data. The method of estimation is called probabilistic when the known geological, engineering, and economic data are used to generate a range of estimates and their associated probabilities. Identifying reserves as proved, probable, and possible has been the most frequent classification method and gives an indication of the probability of recovery. Because of potential differences in uncertainty, caution should be exercised when aggregating reserves of different classifications.

Reserves estimates will generally be revised as additional geologic or engineering data becomes available or as economic conditions change. Reserves do not include quantities of petroleum being held in inventory, and may be reduced for usage or processing losses if required for financial reporting.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

PROVED RESERVES

Proved reserves are those quantities of petroleum which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods, and government regulations. Proved reserves can be categorized as developed or undeveloped.

If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.

Establishment of current economic conditions should include relevant historical petroleum prices and associated costs and may involve an averaging period that is consistent with the purpose of the reserve estimate, appropriate contract obligations, corporate procedures, and government regulations involved in reporting these reserves.

PETROLEUM RESERVES DEFINITIONS

Approved by the Society of Petroleum Engineers and World Petroleum Council, March 1997

In general, reserves are considered proved if the commercial producibility of the reservoir is supported by actual production or formation tests. In this context, the term proved refers to the actual quantities of petroleum reserves and not just the productivity of the well or reservoir. In certain cases, proved reserves may be assigned on the basis of well logs and/or core analysis that indicate the subject reservoir is hydrocarbon bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.

The area of the reservoir considered as proved includes (1) the area delineated by drilling and defined by fluid contacts, if any, and (2) the undrilled portions of the reservoir that can reasonably be judged as commercially productive on the basis of available geological and engineering data. In the absence of data on fluid contacts, the lowest known occurrence of hydrocarbons controls the proved limit unless otherwise indicated by definitive geological, engineering or performance data.

Reserves may be classified as proved if facilities to process and transport those reserves to market are operational at the time of the estimate or there is a reasonable expectation that such facilities will be installed. Reserves in undeveloped locations may be classified as proved undeveloped provided (1) the locations are direct offsets to wells that have indicated commercial production in the objective formation, (2) it is reasonably certain such locations are within the known proved productive limits of the objective formation, (3) the locations conform to existing well spacing regulations where applicable, and (4) it is reasonably certain the locations will be developed. Reserves from other locations are categorized as proved undeveloped only where interpretations of geological and engineering data from wells indicate with reasonable certainty that the objective formation is laterally continuous and contains commercially recoverable petroleum at locations beyond direct offsets.

Reserves which are to be produced through the application of established improved recovery methods are included in the proved classification when (1) successful testing by a pilot project or favorable response of an installed program in the same or an analogous reservoir with similar rock and fluid properties provides support for the analysis on which the project was based, and, (2) it is reasonably certain that the project will proceed. Reserves to be recovered by improved recovery methods that have yet to be established through commercially successful applications are included in the proved classification only (1) after a favorable production response from the subject reservoir from either (a) a representative pilot or (b) an installed program where the response provides support for the analysis on which the project is based and (2) it is reasonably certain the project will proceed.

UNPROVED RESERVES

Unproved reserves are based on geologic and/or engineering data similar to that used in estimates of proved reserves; but technical, contractual, economic, or regulatory uncertainties preclude such reserves being classified as proved. Unproved reserves may be further classified as probable reserves and possible reserves.

Unproved reserves may be estimated assuming future economic conditions different from those prevailing at the time of the estimate. The effect of possible future improvements in economic conditions and technological developments can be expressed by allocating appropriate quantities of reserves to the probable and possible classifications.

Probable Reserves

Probable reserves are those unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. In this context, when probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable reserves.

In general, probable reserves may include (1) reserves anticipated to be proved by normal step-out drilling where sub-surface control is inadequate to classify these reserves as proved, (2) reserves in formations that appear to be productive based on well log characteristics but lack core data or definitive tests and which are not analogous

to producing or proved reservoirs in the area, (3) incremental reserves attributable to infill drilling that could have been classified as proved if closer statutory spacing had been approved at the time of the estimate, (4) reserves attributable to improved recovery methods that have been established by repeated commercially successful applications when (a) a project or pilot is planned but not in operation and (b) rock, fluid, and reservoir characteristics appear favorable for commercial application, (5) reserves in an area of the formation that appears to be separated from the proved area by faulting and the geologic interpretation indicates the subject area is structurally higher than the proved area, (6) reserves attributable to a future workover, treatment, re-treatment, change of equipment, or other mechanical procedures, where such procedure has not been proved successful in wells which exhibit similar behavior in analogous reservoirs, and (7) incremental reserves in proved reservoirs where an alternative interpretation of performance or volumetric data indicates more reserves than can be classified as proved.

Possible Reserves

Possible reserves are those unproved reserves which analysis of geological and engineering data suggests are less likely to be recoverable than probable reserves. In this context, when probabilistic methods are used, there should be at least a 10% probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable plus possible reserves.

In general, possible reserves may include (1) reserves which, based on geological interpretations, could possibly exist beyond areas classified as probable, (2) reserves in formations that appear to be petroleum bearing based on log and core analysis but may not be productive at commercial rates, (3) incremental reserves attributed to infill drilling that are subject to technical uncertainty, (4) reserves attributed to improved recovery methods when (a) a project or pilot is planned but not in operation and (b) rock, fluid, and reservoir characteristics are such that a reasonable doubt exists that the project will be commercial, and (5) reserves in an area of the formation that appears to be separated from the proved area by faulting and geological interpretation indicates the subject area is structurally lower than the proved area.

RESERVE STATUS CATEGORIES

Reserve status categories define the development and producing status of wells and reservoirs.

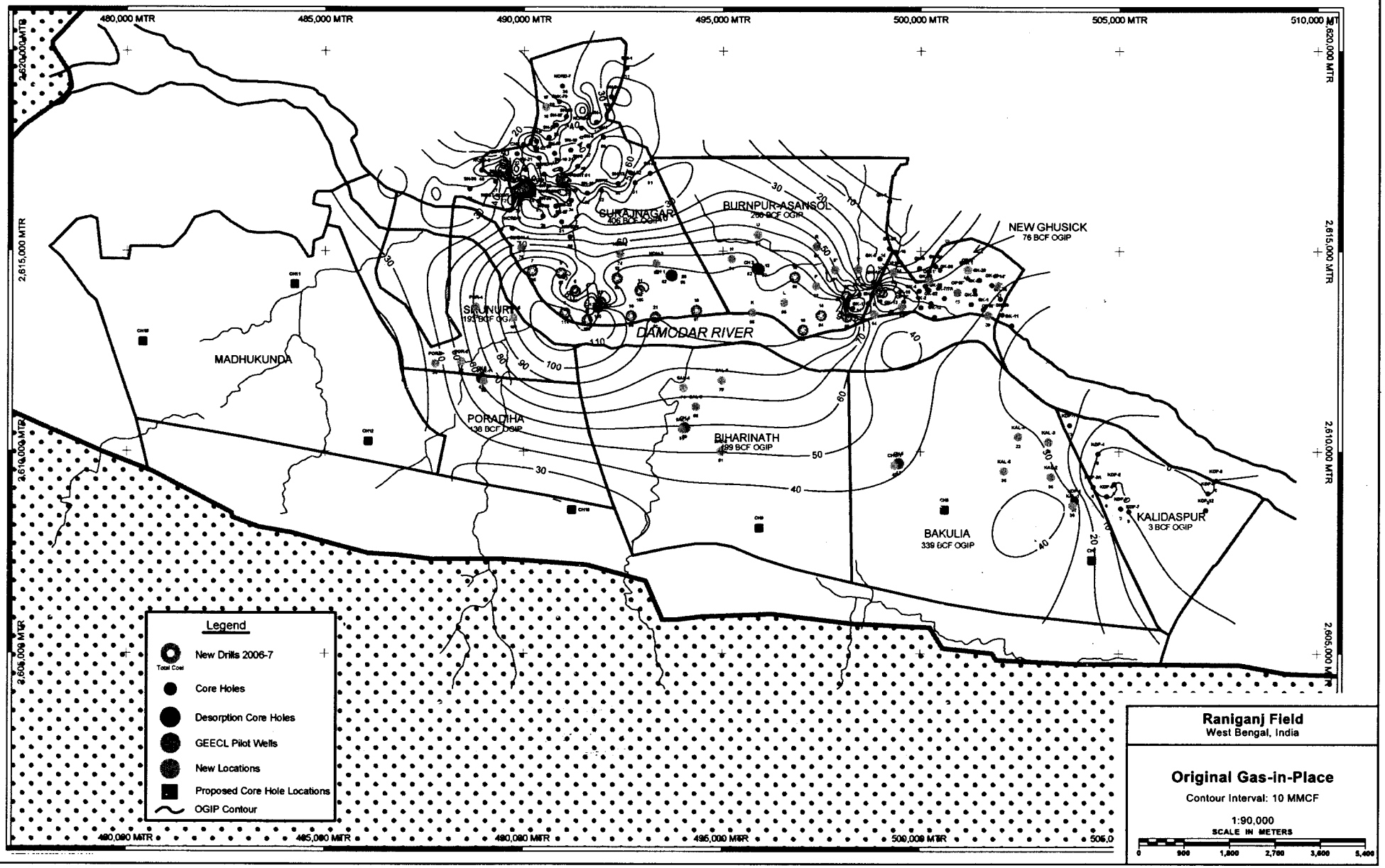
Developed: Developed reserves are expected to be recovered from existing wells including reserves behind pipe. Improved recovery reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor. Developed reserves may be sub-categorized as producing or non-producing.

> **Producing:** Reserves subcategorized as producing are expected to be recovered from completion intervals which are open and producing at the time of the estimate. Improved recovery reserves are considered producing only after the improved recovery project is in operation.
> **Non-producing:** Reserves subcategorized as non-producing include shut-in and behind-pipe reserves. Shut-in reserves are expected to be recovered from (1) completion intervals which are open at the time of the estimate but which have not started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe reserves are expected to be recovered from zones in existing wells, which will require additional completion work or future recompletion prior to the start of production.

Undeveloped Reserves: Undeveloped reserves are expected to be recovered: (1) from new wells on undrilled acreage, (2) from deepening existing wells to a different reservoir, or (3) where a relatively large expenditure is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

Approved by the Board of Directors, Society of Petroleum Engineers (SPE) Inc., and the Executive Board, World Petroleum Council (WPC), March 1997. (Reprinted with permission.)

NSAI NETHERLAND, SEWELL & ASSOCIATES, INC.



All estimates and exhibits herein are part of this NSAI report and are subject to its parameters and conditions.

Figure 1