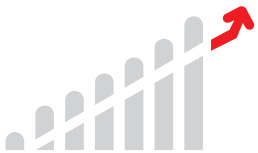


Power Ventures Plc.

admission to trading on AIM

placing by Cenkos Securities plc.
nominated advisor and broker

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to consult an individual professional adviser authorised under the Financial Services and Markets Act 2000 ("FSMA") who specialises in advising on the acquisition of shares and other securities.

This document is an AIM admission document which has been drawn up in accordance with the AIM Rules. This document is not an approved prospectus for the purpose of section 85(7) of FSMA and does not constitute an offer to the public. Accordingly, this document has not been and will not be pre-approved by the Financial Services Authority ("FSA") pursuant to section 82 FSMA.

Application will be made for the whole of the issued and to be issued Ordinary Shares of OPG Power Ventures plc (the "Company") to be admitted to trading on AIM, a market operated by the London Stock Exchange plc. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority ("UKLA"). A prospective investor should be aware of the risks of investing in these companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required, pursuant to the AIM Rules for companies, to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document. The Ordinary Shares are not dealt on any regulated market and no application has been made or is being made for the Ordinary Shares to be admitted to any similar exchange.

The AIM Rules are less demanding than those of the Official List of the UKLA. You should read the whole text of this document. You should be aware that an investment in the Company is speculative and involves a degree of risk. **Your attention is drawn to the section entitled "Risk Factors" set out in Part III of this document. All statements regarding the Company's business should be viewed in light of these risk factors.** It is expected that the Ordinary Shares of the Company will be admitted to trading on AIM on 30 May 2008.

The distribution of this document and the offer and sale of Ordinary Shares in jurisdictions other than the UK may be restricted by law. No action has been taken by the Company or Cenkos Securities plc ("Cenkos") that would permit a public offer of Ordinary Shares in any jurisdiction where action for that purpose is required nor has any action been taken with respect to the possession or distribution of this document in any jurisdiction where action for that purpose is required. Persons outside the United Kingdom into whose possession this document comes should inform themselves about and observe those restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. This document does not constitute an offer to sell, nor the solicitation of any offer to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation would be unlawful. In particular, the Ordinary Shares offered by this document have not been and will not be registered under the applicable securities laws of the United States, Canada, Australia, Japan, the Republic of South Africa or the Republic of Ireland and, save in compliance with certain applicable exemptions and subject to certain restrictions, may not be offered or sold directly, or indirectly, in or into the United States, Canada, Australia, Japan, the Republic of South Africa or the Republic of Ireland.

The Ordinary Shares have not been, and will not be, registered under the United States Securities Act 1933 as amended (the "US Securities Act") in reliance on the exemption from the registration requirements of the US Securities Act as provided under section 3(a)(10). The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed on or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE SECTION ENTITLED "RISK FACTORS" SET OUT IN PART III OF THIS DOCUMENT.

OPG Power Ventures plc

a company incorporated and registered in the Isle of Man under the Companies Act 2006 with registered number 002198V

Placing of 108,418,367 New Ordinary Shares of 0.0147p each at 60p per New Ordinary Share and

Admission to AIM
by
Cenkos Securities plc

All the Ordinary Shares then in issue will, on Admission, rank in full for all dividends or other distributions declared, made or paid in respect of the Ordinary Shares after Admission and will rank *pari passu* in all respects.

Cenkos which is authorised and regulated by the FSA is acting as nominated adviser and broker to the Company for the purposes of the AIM Rules in connection with the Placing and Admission. Cenkos is not acting for, and will not be responsible to, any person other than the Company for providing the protections afforded to their customers nor for advising any other person on the contents of this document or on any transaction or arrangement referred to in this document. Cenkos' responsibilities as the Company's nominated adviser and broker under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any other Director or to any person in respect of that person's decision to acquire shares in the Company in reliance on any part of this document. The Directors, whose names appear on page 4 of this document, accept responsibility, individually and collectively, for the information contained in this document and for compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is this case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of this information. No representation or warranty, express or implied, is made by Cenkos as to any of the contents of this document for which the Directors are solely responsible.

No person is authorised, in connection with the Placing, to give any information or make any representation other than as contained in this document and, if given or made, that information or representation must not be relied on as having been authorised by the Company, its Shareholders or their respective directors or professional advisers. No Ordinary Shares have been marketed to, nor are any available for purchase, in whole or in part, by the public in the United Kingdom or elsewhere in connection with the Placing.

This document contains forward looking statements, including, without limitation, statements containing the words "believe", "anticipated", "expect", and similar expressions. Those forward looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements expressed or implied by those forward looking statements to be materially different. Factors that might cause that difference might include, but are not limited to, those discussed in the section entitled "Risk Factors" in Part III of this document. In light of these issues, uncertainties and assumptions, the events described in the forward looking statements in this document may not occur. Subject to legal or regulatory requirements, the Company disclaims any obligation to update any forward looking statements in this document to reflect future events or developments.

Copies of this document will be available free of charge during normal business hours on any weekday (except public holidays) at the offices of Cenkos, McGrigors LLP and from the registered office of the Company from the date of this document for one month following Admission.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Ordinary Shares have not been and will not be registered under the US Securities Act, and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable state securities laws. Prospective investors are hereby notified that sales of Ordinary Shares may be made in reliance on an exemption from the provisions of Section 5 of the US Securities Act. In the United States, the Placing is being made only to QIBs in reliance on Rule 144A under the US Securities Act or another available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Outside the United States, the Placing is being made in accordance with Regulation S under the US Securities Act. The Ordinary Shares are not transferable except in accordance with the restrictions, and each subscriber of Ordinary Shares will be deemed to have made certain representations, acknowledgements and agreements, described in this Admission Document including, without limitation, those set out in Parts II and VI. Terms used above have the meanings given to them by Rule 144A and Regulations under the US Securities Act.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, by any US state securities commission or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Admission Document. Any representation to the contrary is a criminal offence in the United States. Any offer or sale of Ordinary Shares in reliance on Rule 144A under the US Securities Act will be made by broker-dealers who are registered as such under the US Exchange Act of 1934, as amended (the "US Exchange Act").

CONTENTS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	23 May 2008
Admission and commencement of dealings in Ordinary Shares on AIM	30 May 2008
Where applicable, expected date for CREST accounts to be credited in respect of the New Ordinary Shares	30 May 2008
Where applicable, expected date of dispatch of definitive share certificates for New Ordinary Shares	by 7 June 2008

Each of the dates in the above timetable are subject to change

PLACING STATISTICS

Placing Price per Ordinary Share	60p
Number of Ordinary Shares being issued pursuant to the Placing	108,418,367
Number of Ordinary Shares in issue following the Placing	286,989,795
Gross proceeds of the Placing	£65.1 million
Estimated net proceeds of Placing receivable by the Company	£61.6 million
Market capitalisation of the Company at the Placing Price at Admission	£172.2 million
ISIN	IM00B2R3RX72

FOREIGN CURRENCY

In Part VII of this document Indian Rupee amounts have been converted into Sterling at INR 42.8 = £1 (being the closing mid point spot exchange rate set out in the Financial Times on 22 May 2008, the latest practicable date prior to the publication of this document).

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Arvind Gupta (*Managing Director*) V. Narayan Swami *(Finance Director)* M.C. Gupta *(Non-Executive Chairman)* Salvatore Martin Gatto *(Senior Non-Executive Director)* Patrick Michael Grasby *(Non-Executive Director)* Ravi Gupta *(Non-Executive Director)*
Registered Office	22 Athol Street Douglas Isle of Man IM1 1JA
Company Secretary	Michael A. Flanagan WiltonGroup 22 Athol Street Douglas Isle of Man IM1 1JA
Nominated Adviser and Broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
Solicitors to the Company as to English law	McGrigors LLP 5 Old Bailey London EC4M 7BA
Solicitors to the Company as to Indian law	Economic Laws Practice 1502 Dalamal Towers Free Press Journal Marg Nariman Point Mumbai – 400 020
Solicitors to the Company as to Isle of Man law	Mannin Chambers 3rd Floor, Atlantic House 4-8 Circular Road Douglas Isle of Man IM1 1AG
Solicitors to the Nominated Adviser and Broker	Norton Rose LLP 3 More London Riverside London SE1 2AQ
Registered Agent	Wilton (IOM) Limited 22 Athol Street Douglas Isle of Man IMI 1JA

Reporting Accountants	Grant Thornton UK LLP Grant Thornton House Melton Street Euston Square London NW1 2EP
Auditors	Deloitte Haskins & Sells 2nd Floor, "Temple Tower" 672 Anna Salai Nandanam Chennai 600 035
Registrar	Capita Registrars (Isle of Man) Limited 3rd Floor Exchange House 54-62 Athol Street Douglas Isle of Man IM1 1JD

PART I

INFORMATION ON THE GROUP

Introduction

The Company has been established to develop, own and manage power generation plants in India. The Company, managed by a team with an established track record in developing power projects in India, intends to build further power plants focussing on the group captive model servicing industrial and commercial consumers using the open access and grid transmission facilities provided under the EA 2003.

The Directors believe that the prevailing and expected electricity demand and supply imbalance in India presents significant opportunities in the power generation sector for the Group. They further believe that the Indian government's vision of "Power for All" by 2012 will require aggressive growth and increased private sector participation in the supply of electricity. The Indian government has created a regulatory environment to encourage private industry investment in the power sector to assist in relieving the current demand and supply imbalance and the Directors believe the Group is well placed to be a leader in this sector.

The Group set up the first GCPP in Tamil Nadu in March 2004 and this plant now generates 19.38 MW of gas fired and waste heat electricity. In addition, the Group has a 10 MW plant due to commence production in the third quarter of 2008, a 77 MW plant projected to become operational by the first quarter of 2009 and a further two 135 MW plants which are projected to commence operations by the first quarter of 2010. In addition the Group has plans to develop further plants with a combined capacity of 5528 MW.

The Directors intend that the Group will be focussed on the GCPP structure, further details of which are set out on page 9 of this document.

The term "Group" is used throughout this document to summarise the Company's interests in the power generation plants as described more fully on pages 10 through to 15 of this Part I. In particular, prospective investors should read carefully the section dealing with the corporate structure of the Group on pages 14 and 15 of this Part I, which details the specific economic and voting interests of the Company in each of the aforementioned plants, paragraphs 2 and 16 of Part VII and also the definition of Group as set out on page 144 of Part VII. The term "Group" should, therefore, in each case be read in this context and should not be construed to mean absolute ownership of all or any of the respective power generation plants.

Key Strengths

The Directors believe that the key factors that contribute to the Group's success include:

- *The demand/supply characteristics of the Indian power market* – from a power supply perspective, India does not have the infrastructure to cope with the recent acceleration in GDP and the consequential increase in demand for power supply. The Ministry of Power estimates that normal electricity deficits average 9 per cent. across the country, whilst at peak times this deficit rises to 22 per cent.. Tamil Nadu and Gujarat are two of the most industrialised states in India. The Group's existing operational plant, together with the OPGPG and OPGRE plants, which are under construction, are situated in Tamil Nadu. In addition, the plant to be operated by OPGG, which is currently under development is based in Gujarat and, as a result, the Directors believe the Group is well positioned to benefit from the current supply shortage experienced in these areas. The Directors also expect the supply shortage to continue for the foreseeable future as the emerging capacity generated by new plants is likely to be quickly absorbed by the continued expansion of the Indian economy;

- *The Group's compelling product* – the GCPP regulations, under which the Group operates, enables the Group to set the electricity tariffs with the users directly with neither the SEB nor the state regulator having any jurisdiction over pricing. The Group is, therefore, able to supply assured power at prices that are significantly lower than those charged to the customer by the SEB;

- *High margin environment expected to continue* – the production of electricity by the Group's modern plants enables high margins to be achieved. The Directors expect SEB pricing to remain high for a number of reasons including:

  a) the high labour costs of the state electricity sector will be difficult to reduce;

  b) a significant proportion of SEB generated power is lost through transmission and distribution over low voltage power lines. This problem is not faced by the Group as it supplies to "high tension" customers (where transmission voltage is too high for pilferage) and its transmission losses are determined by the regulator; and

  c) the current cross subsidisation of the electricity tariffs between different users is a politically sensitive issue and is a situation which the Directors expect to continue.

- *Arrangements for the off-take in place* – the Group has supply agreements for the full capacity of its operational plants and expressions of interest from group captive customers for a substantial proportion of the production capacity of the plants under implementation and construction. In addition, each of OPGPG and OPGG have entered into an MOU with Tata Power to supply Tata Power with up to 49 per cent. of the power generated;

- *Continuity of fuel supply* – the Group has secured the supply of fuel for each plant by entering into supply agreements with reputable and well known companies under which the price, quantity and quality of the fuel is stipulated. Further information on the fuel suppliers is set out in paragraph 14 of Part VII of this document;

- *Cash generative nature of the business* – once set up, the individual plants are not costly to operate as there are relatively low overheads and the operation and maintenance is outsourced. The Directors expect each plant to be cash generative once fully operational;

- *Policy of working with industry leading EPC contractors, equipment suppliers and plant operators* – in order to ensure that the Group's plants are constructed and operate efficiently and effectively, the Directors consider it prudent to work with industry leading partners in order to guarantee that the plants are delivered on time and to a high specification which will help to ensure the longevity of operations;

- *Directors' track record* – the executive management has a track record of developing power plants on time and on budget and they were pioneers of the GCPP model in Tamil Nadu. In addition, the non-executive team has significant experience of the regulatory environment for the power industry in India and of operating power projects;

- *Proposed projects at advanced stages* – the Group has three plants that are in advanced stages of implementation and construction. In all cases, the Group has procured or conditionally agreed to acquire land, negotiated the off-take agreements, sourced the fuel and secured the majority of the banking facilities. In the case of OPGPG and OPGRE, construction has commenced; and

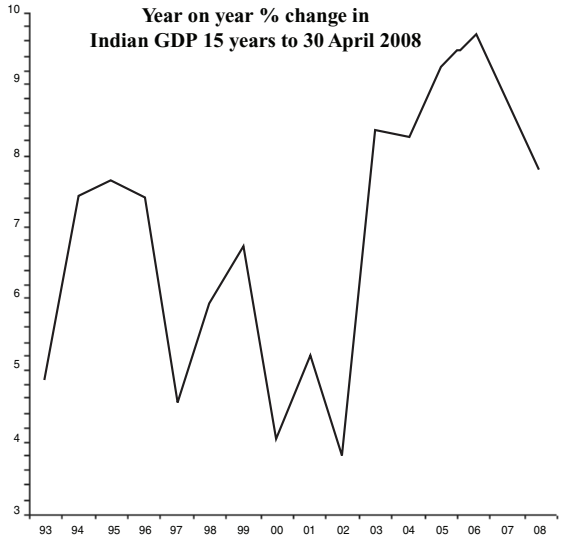
- *Plants conform/will conform to Indian emissions standards* – the Group has ordered equipment that exceed standards stipulated by the Central Pollution Control Board of the Ministry of Environment and Forest. The Directors intend that the specification of the Group's plants will enable the Group to be an efficient producer of electricity.

Indian Economy/Macro Overview

India has emerged as one of the fastest growing economies in the world, with a population of approximately 1.1 billion currently growing at 1.6 per cent. per annum making it the second largest populated country in the world. The economy has grown at an average rate of 8.8 per cent. for the last four fiscal years (2003-2007) with the 2006-2007 growth rate of 9.6 per cent. Significantly, the industrial and service sectors have been major contributors to this growth, indicating that structural transformation is underway in the Indian economy. There are further factors such as a rising foreign exchange reserve, a prosperous capital market and expanding FDI inflows that suggest the Indian economy is one that is maturing, becoming less reliant on agriculture and consuming more power.

India's consumer spending has been rising steadily, sheltering the economy from volatility in external demand. Government spending has also risen consistently and the Directors expect the growth in the Indian economy to continue.

The table below demonstrates the year on year growth in India's GDP over the last 10 years:



SOURCE: ECONOMIST INTELLIGENCE UNIT (Thomson Datastream)

With these growth rates, the estimates of the Central Statistical Organisation are that the economy will grow by 8.7 per cent. in 2007 to 2008. Availability of power is of fundamental importance to sustaining this rate of growth.

Background to the Indian power sector

Although the total installed capacity in India had increased from 83,295 MW in 1996 to 127,000 MW at 31 March 2007, India continues to face an average energy deficit of 9 per cent. with a peak deficit of 22 per cent. and demand for power is predicted to grow by between 10 to 12 per cent. per annum until 2017.

The economy of India is influenced, in part, by the Indian government's five year plans ("Plans"). The Eleventh Plan, which completes in March 2012, is currently under way and has a key objective of ensuring that all villages and households currently below the poverty line in India have electricity connection and 24 hour access to power by 2012.

Previous Plans have sought to increase generating capacity and set power generation capacity targets. The current demand-supply mismatch is, the Directors believe, due primarily to India falling short of meeting these capacity targets. On average, India has been able to achieve only 52 per cent. of its additional targeted capacity, as illustrated below:

Plan	*Period*	*Targeted additional capacity (MW)*	*Additional Capacity achieved (MW)*
Ninth	1997-02	40,200	19,000
Tenth	2002-07	41,100	23,300
Eleventh	2007-12	78,500	In progress

The Directors believe that these shortfalls are a direct result of the poor financial health of the SEBs and the lack of significant participation by the private sector in power generation. The Ministry of Power's National Electricity Policy aim is to enhance the installed generation capacity by 100,000 MW from the beginning of the Tenth Plan to the end of the Eleventh Plan in 2012. Part of the gap in demand is expected to be met from renewable energy sources and the Ministry of Non-Conventional Energy Sources has projected a grid-connected renewable capacity addition of 13,500 MW in the Eleventh Plan. The majority of the balance, however, is expected to be sourced from latest generation fossil fuel power plants.

In addition to an increase in generation capacity, India also requires additions to transmission and distribution capacity. Total investment of around $90 billion in the power generation sector is expected in the Eleventh Plan and the Indian government has created a regulatory environment designed to encourage private sector participation to help to achieve the stated targets. The demand-supply gap in Tamil Nadu and Gujarat is particularly acute. The table below illustrates the demand-supply position of power for the period from 31 March 2005 to 31 March 2006:

	Requirement MW	*Peak Met MW*	*Shortage %*
Gujarat	9,783	7,610	22.2
Tamil Nadu	9,114	8,334	8.6

It is the Directors' belief that these power shortages remain and are likely to continue for the forseeable future.

The Industry structure/ regulation

The power sector was one of the first sectors in India to be opened up to private investment during the early 1990s. Before 1991, the electricity industry in India was regulated predominantly by the Electricity Act of 1948, under which the generation, transmission, distribution and trading of power was largely controlled by the central and state government organisations (the latter being the state utilities known as Electricity Boards or SEBs). In 1998, the central government of India enacted the Electricity Laws (Amendment) Act, which recognised transmission generation and distribution as independent activities. The compelling need to increase power generation capacity led to the implementation of the EA 2003, which provides central legislation to regulate the industry and greater incentives for private participation in power projects. These incentives include:

- the removal of licensing requirements for power generators;
- the provision of open access to transmission and distribution networks; and
- the removal of restrictions on the right to build captive generation plants.

These open access reforms allow companies to sell their output to different distribution companies and/or directly to customers and have thereby attracted private investment in power generation.

Under the EA 2003 specific planning requirements relating to the procurement of licences for thermal power generating plants were abolished and power plant operators do not, therefore, require any specific governmental licences in order to build plants.

Group captive power generation

In June 2005, the Ministry of Power prescribed rules that provided the regulatory framework for a developer, such as the Company, to promote and set up a GCPP. A consumer of group captive power is able to enjoy the benefits of reliable power at prices that are agreed directly with the producer. Given that these modern GCPPs are more efficient than many of the plants producing electricity in India, the prices charged by them are lower than those charged by the SEBs. The regulations governing GCCPs stiputlate that:

- at least 26 per cent. of the voting equity capital of the power plant must be held by the captive users;
- at least 51 per cent. of the annual power output of the plant must be consumed by the captive users;
- up to 49 per cent. of annual power output may be sold to SEBs, power trading companies or licencees;
- the tariff charged by the operator is determined by the operator and the captive users of the plant;
- the state regulator is not involved in determining the price at which the power is sold;
- the SEB must provide access to the grid;
- GCPPs are exempt from paying any surcharge or other charges except the actual transmission charges; and
- grid access and transmission charges and losses are overseen by the state regulator.

The continued shortage of power, combined with the deteriorating quality of SEB supplies, has compelled more industrial consumers to seek captive power generation to meet their power requirements. Currently the installed captive capacity in the country is approximately 20,000 MW, accounting for around 15 per cent. of the total installed capacity in India.

Government of Tamil Nadu captive power policy

Each of the Group's plants will be operated under the captive power legislation provided for in the EA 2003. However, at the time of setting up the OPGE power plant, the GCCP structure was a new concept and as such OPGE was initially governed by the captive power policy of the government of Tamil Nadu. This pre-dates the EA 2003 and allows GCPPs to be installed by any of the following:

- a consumer of electricity;
- a group comprising more than one customer as a joint venture;
- an actual user (one who is not a consumer);
- a group of actual users of power, but not a consumer as a joint venture; or
- a group comprising of both consumers and users of power as a joint venture.

Energy generated from GCPPs can be consumed by the users of the GCPP. Any surplus power after usage by the users will be purchased by the TNEB. Transmission of power will be done by the TNEB to any service in Tamil Nadu.

Following the Ministry of Power Notification in June 2005, OPGE is migrating to operate under the EA 2003 legislation.

The Group's business

The core business of the Group is the ownership, development and management of small and medium sized power plants in India and it is the Directors' intention that the Group becomes a leading operator of GCPPs in India. The power generated by the Group is and will be sold predominantly to industrial users in the vicinity of the plants.

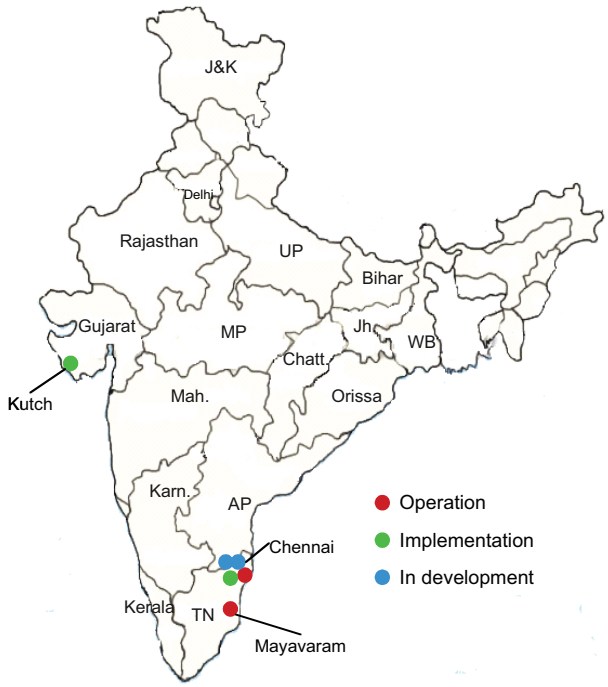
The Directors consider a number of factors when assessing the viability of projects including:

- *Size* – the Directors have and will continue to pursue the development of small and medium sized projects where they do not consider land acquisition, water supply, availability of equipment, environmental or other local and socio-political issues to be material constraints;
- *Location* – projects are developed in states where there is excess demand and where there is a demand/supply gap. Sites have been selected with reference to, amongst other things, the proximity of port facilities, the availability of manpower and the proximity of infrastructure to facilitate the movement of raw materials;
- *Execution risk* – the scale of the projects means that they will generally have a low gestation period with an implementation schedule of approximately 24 months from financial close; and
- *Regulatory environment* – the necessary government and regulatory support must exist for the development of industries in the relevant state.

Each of the plants under the control of the Group is owned by an SPV, incorporated in India. The Group currently has two plants in operation, three under construction and two further plants that are in development. The following table provides an overview of the Group's plants:

Plant	*SPV Name*	*Capacity (MW)*	*Type*	*Fuel type*	*Location*	*Commission date*
In operation						
1	OPGE	18	Group captive	Natural Gas	Tamil Nadu	In operation
2	OPGE	1.4	Group captive	Waste Heat	Tamil Nadu	In operation
Under Implementation and Construction						
3	OPGRE	10	Group captive	Waste Heat/Coal	Tamil Nadu	Q3-08
4	OPGPG	77	Group captive	Coal	Tamil Nadu	Q1-09
5	OPGG	2x 135	Group captive	Coal	Gujarat	Q1-10
In development						
6	OPGPG	77	Group captive	Coal	Tamil Nadu	Q3-10
7	OPG New Co	2x 77	Group captive	Coal	Tamil Nadu	Q1-11

Geographic location of the Groups's plants:



Plants constituting the Group

OPG Energy Private Limited ("OPGE")

OPGE was incorporated in September 2000 as a natural gas based power generating company and is located near Mayiladuthurai, Tamil Nadu. Initially, the capacity was 17.98 MW but, following the installation of a 1.4MW waste heat recovery plant in December 2007, capacity was increased to 19.38MW. The plant began generating power in March 2004 and had its first full year of operations in 2005. The plant is operated and maintained by Wartsila and operated at a plant load factor of circa 90-95 per cent. from 31 March 2005 to 31 December 2007.

Wartsila is a Finnish company headquarted in Helsinki with offices in over 70 countries and listed on the Nordic Stock Exchange, and had a turnover of circa US $6 billion in 2007.

Procurement of fuel supply

OPGE's site is located directly on the Cauvery Delta gas field from which it draws the gas that powers the plant. The gas fields are owned by the Oil and Natural Gas Corporation Ltd, an Indian public sector petroleum company and the gas is distributed by GAIL, a government controlled entity. OPGE has entered into a ten year contract with GAIL for the supply of 80,000 scm of natural gas per day to OPGE's power plant.

Customers

OPGE has entered into numerous power purchase agreements with its captive users for the captive consumption of power. Customers include Kanishk Steel, OPG Metals, Sonal Vyapar, Ennore, Precot Meridian Limited, Seesheyee Paper and Boards Limited, Adyar Gate Hotels P. Ltd (managed by the Sheraton Hotel in Chennai). If the captive customers do not draw power, OPGE may sell any surplus power to the TNEB, power trading companies or licencees.

Ownership

Through its ownership of OPGPG, the Company has a 44 per cent. economic interest in OPGE. The minority shareholders in OPGE have been the users of the plant and some were involved with the original funding of the project. Further details on the Group's corporate structure can be found on page 15 of this document and details of the voting structure can be found in paragraph 2.7 of Part VII of this document.

OPGPG, OPGG and OPGRE were set up under the EA 2003 and, by virtue of the Ministry of Power Notification that was published on 8 June 2005, can sell up to 49 per cent. of the power generated to any licensee and retain their captive status. It is the Director's intention that the power generated from OPGG, OPGRE and OPGPG will be sold to captive users who are industrial and commercial users. Surpluses of up to 49 per cent. can be sold to SEBs, power trading companies and licencees.

OPG Renewable Energy Private Limited ("OPGRE")

OPGRE was incorporated in 2006 to operate a 10 MW waste heat recovery, bio-mass or coal plant in Gummidipundi, Tamil Nadu, on the site of Kanishk Steel. The plant will be licensed from Kanishk Steel for the purpose of utilising the waste heat and dolochar generated by Kanishk Steel's operations. 5.5 MW of power will be generated by the waste heat and dolochar with the remaining 4.5 MW being generated by either biomass or coal. It is anticipated that OPGRE will commence operations in the third quarter of 2008.

Further details of the licence agreement between Kanishk Steel and OPGRE can be found in paragraph 14.3 of Part VII of this document.

Customers

OPGRE has entered into a power sharing agreement with KL Concast to supply KL Concast with approximately 85 per cent. of the saleable power produced by the plant. Under the terms of the licence agreement OPGRE will supply Kanishk Steel with approximately 15 per cent. of the saleable power produced.

Ownership

The Company will have a 33 per cent. economic interest in OPGRE. Further details on the Group's structure can be found on page 15 of this document and details of the voting structure can be found in paragraph 2.7 of Part VII of this document.

OPG Power Generation Limited ("OPGPG")

OPGPG was incorporated in 2005 with the objective of setting up a 77 MW coal fired power generating plant located at Gummidipundi, Tamil Nadu. OPGPG is under construction following bank financial close and is expected to commence operations during the first quarter of 2009. OPGPG will be fuelled by imported Indonesian coal.

Supply of fuel

OPGPG has entered into a 10 year contract for the supply of coal with KISL, one of the largest importers of Indonesian coal to India. This agreement stipulates the quantity and quality of the coal with a fixed price for the first five years on a free on board basis. OPGPG also has an option to purchase the coal on a CIF basis. The plant has been designed so as to also be able to use Indian coal.

EPC Contractor

Shriram EPC has been appointed as the EPC contractor for OPGPG. Shriram EPC, which is listed on the Bombay Stock Exchange, is a part of the Shriram group of companies, with a turnover of US $3.5 billion last year. Shriram EPC is a local operator familiar with local supply chains, has 400 employees and a strong track record having constructed ten plants. Shriram EPC is responsible for delivering the plant on time and the contract, further details of which are set out in paragraph 14.2 of Part VII of this document, stipulates certain penalty clauses for delay in delivering the plant.

The Group has sought to ensure that the key parts of the plants, in particular the boiler and turbine, have been supplied by well regarded industry leaders. As such Ansaldo Caldaie Boilers India P. Ltd, a leading international supplier of boilers, has been contracted to supply the boiler for OPGPG. Similarly Bharat Heavy Electricals Limited ("BHEL"), India's leading turbine supplier with a turnover of $5.4 billion last year, has been appointed to supply the turbine.

Customers

OPGPG will supply primarily to industrial and commercial customers. OPGPG has entered into numerous MOUs and has also received indications of power requirements from a number of industrial consumers which, taken in total, exceed the capacity production of the plant. As such, the Directors expect there to be excess demand for the power produced. In addition, OPGPG has entered into an MOU with Tata Power under which Tata Power will purchase up to 49 per cent. of the power produced from OPGPG. The MOU sets out a base rate at which Tata Power will purchase the electricity for the first three years of operation of the plant and OPGPG will receive 70 per cent. of the profit of any electricity sold by Tata Power over and above the base rate price agreed. Further details of this MOU are set out in paragraph 14.2 of Part VII of this document.

Ownership

The Company will have an interest in OPGPG representing 99 per cent. of the economic interest. Further details on the Group's structure can be found on page 15 of this document and details of the voting structure can be found on paragraph 2.7 of Part VII of this document.

OPG Power Gujarat Private Limited ("OPGG")

OPGG was incorporated in 2007 with the objective of constructing two 135 MW coal based power plants in Kutch, Guajarat. OPGG has entered into a conditional agreement for the acquisition of the site at the option of OPGG. OPGG has tendered on an international basis for an EPC contractor and an appointment is expected to be made during the third quarter of 2008, following Admission.

Supply of fuel

OPGG has entered into an agreement with KISL for the supply of coal on similar terms as that of OPGPG.

OPGG has entered into an MOU with AS Klaveness for the shipping of the coal to the OPGG plant, the terms of which also provide for the shipping of coal to OPGPG. AS Klaveness, headquartered in Oslo, is one of the world's largest dry bulk shipping companies with a fleet of approximately 100 vessels. Further details of these arrangements are set out in paragraph 14.2 of Part VII of this document.

Both OPGPG and OPGG will use coal imported from Indonesia. Indian coal is less attractive given its high ash content and the Directors believe that, whilst coal from South Africa and Australia is of superior quality, Indonesian coal is preferable given its low ash and high moisture content, qualities which are relevant for efficient power generation purposes. The high moisture content of Indonesian coal renders it significantly cheaper than its South African or Australian counterparts and the freighting cost from Indonesia is also lower.

Customers

OPGG will supply to industrial and commercial customers only and has entered into an MOU with Tata Power on the same terms as OPGPG. The Directors expect to conclude the final agreement shortly. OPGG has also entered into further MOUs with other industrial and commercial users and has received indications of power requirements that will exceed the capacity of the plant.

Ownership

Following Admission, the Company will have an interest in OPGG representing 99 per cent. of the economic interest and 70 per cent. of the voting rights. Further details on the Group's structure can be found on page 15 of this document and details of the voting structure can be found in paragraph 2.7 of Part VII of this document.

Projects in the pipeline

In addition to projects described above, the Group has also evaluated various other projects and is in the process of finalising further development plans including:

- OPGPG has obtained the necessary environmental clearance for the development of a second 77 MW plant on the site of OPGPG;
- the Group has entered into an agreement to purchase land in Vallur, north of Chennai for two 77 MW coal based projects;
- OPGE has signed an MOU with the Governor of MadhyaPradesh to establish a 1,000 MW plant in the state of Madhyapradesh. The project is based on Indian coal;
- OPGPG has signed an MOU with Cethar Vessels Private Limited ("Cethar") to establish four 135 MW projects in Maharashtra. It is intended that the Group will have a 74 per cent. equity interest in the project. Cethar has been allotted land in Dighe, Raigad district, Maharashtra and the land will be transferred to a new SPV within the Group;
- OPGPG intends to develop four 135 MW coal-based projects in Tuticorin, Tamil Nadu and land has been identified for this project;
- OPGE has been involved in a bid, together with Lanco Infratech Limited ("Lanco Infratech"), for the 1800 MW project for the Talwandi Sabo Power Project in Punjab in which the Company would have an 8 per cent. economic interest; and
- OPGE has been involved in a bid, along with Lanco Infratech, for the 1,600 MW project for the Dhopave Coastal Power project in Maharashtra in which OPGE would have an economic interest of 13 per cent. in the project.

Reasons for the Placing and Admission and use of proceeds

The net proceeds of the Placing are approximately £61.6 million and will be used by the Group to complete the OPGPG and OPGG plants as described on pages 12 and 13 and to pursue the development of additional power plants.

The Directors believe that Admission will raise the Group's profile, giving it access to a greater range of projects and enable future access to capital markets. The Directors also believe that Admission will secure a more diversified shareholder base and provide financial stability which will allow the Group to obtain finance on better terms thereby improving returns for its Shareholders.

Subject to meeting the Official List of London Stock Exchange (the "Main Market") entry requirements, the Company intends to actively consider moving to the Main Market in order to increase the Group's profile and to expose the Company to a wider range of potential investors and thereby enhance the Company's prospects of raising further capital. The Directors believe that this will demonstrate the Group's desire to operate within the highest standards of corporate governance and provide a stronger platform for an international growth strategy.

Group Structure

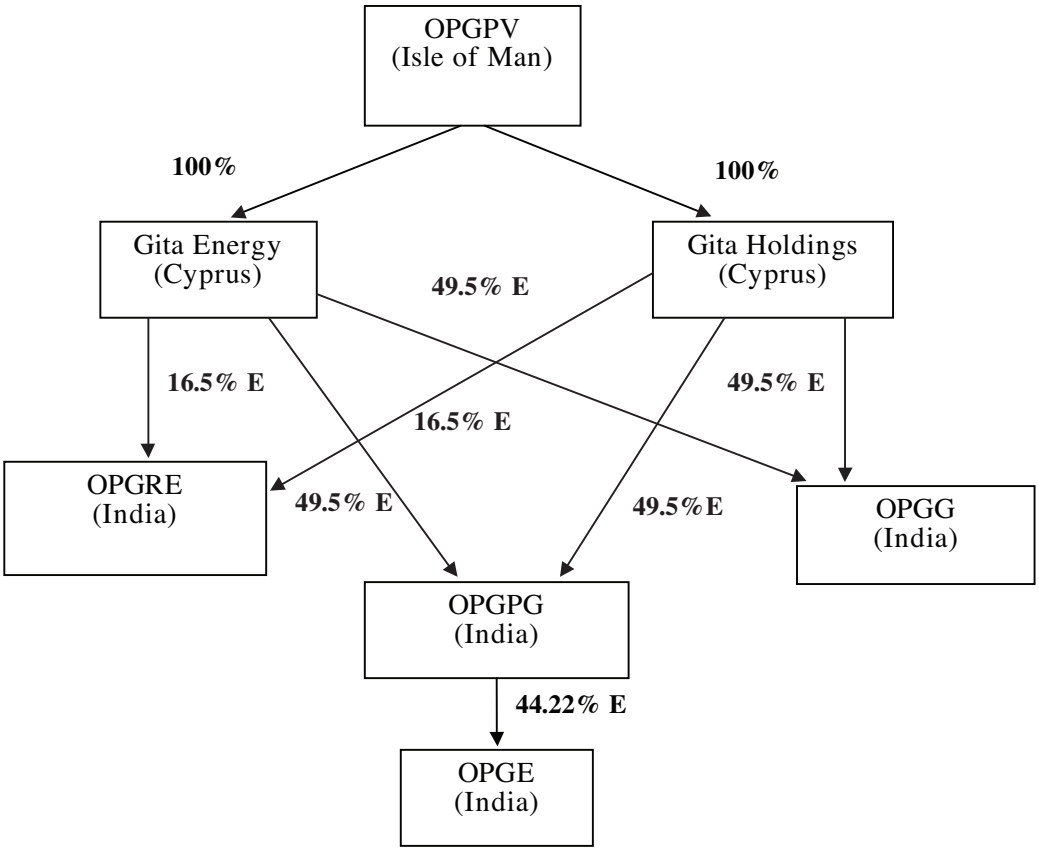
Corporate Structure

The operations of the Group are based in the states of Tamil Nadu and Gujarat. The Group's plants are currently held in separate trading companies.

OPGPV owns two Cypriot holding companies which in turn hold the Company's interests in the operating plants. Each plant is contained within its own SPV. This structure is compliant with the EA 2003 and protects investors from capital gains tax and is an arrangement used frequently by Indian companies. Conditional upon Admission, the Cypriot Subsidiaries have agreed to subscribe to the capital of OPGG, OPGRE and OPGPG and these companies have agreed to allot shares so that immediately following Admission the economic interests shall be as set out in the diagram on page 15. Further details are set out in paragraph 4 of Part VII of this document.

Set out below is a diagram showing the structure of the Group following Admission and the completion of the above noted subscription and allotment of shares. Percentage figures represent holding economic interests.

OPGE and OPGRE have been established under different equity structures to OPGG and OPGPG. The OPGE and OPGRE plants have been established in conjunction with other parties, with these other parties owning both economic and voting interest in these plants. All of the operating companies have been established with different classes of shares. This structure enables the Group to comply with the legislation regarding GCPPs but at the same time retain higher proportions of the economic interest in the plants. Shares will be allotted to captive users who must hold at least 26 per cent. of the voting equity in order to comply with the relevant legislation. The Group will hold Class B shares that will have economic and voting interests.



Minority Interests

Under this structure, the Group will hold 44 per cent. of the economic interest in OPGE and 33 per cent. of the economic interest in OPGRE. The Group will own 99 per cent. of the economic interest in OPGPG and OPGG. The voting interests of the Group in relation to OPGE and OPGRE are governed by voting agreements, further details of which are set out in paragraph 16 of Part VII of this document.

Loan Facilities

75 per cent. of the Group's construction costs will be financed using debt facilities. The loans are syndicated, usually with the Tier 1 banks of India. Punjab National Bank ("PNB") is the lead manager for OPGPG and has been appointed to syndicate the lending for OPGG.

There are separate loan agreements with each of OPGE, OPGG and OPGPG and there is no interlink between the operating companies and the Company. The loans are personally guaranteed by Mr Arvind Gupta.

A summary of the banking arrangements for the Group are as follows:

OPGE has entered into a term loan facility with the State Bank of Indore and a corporate loan facility with PNB of $17.5 million. These are secured by a charge over assets of OPGE. The PNB loan facility was obtained to finance the purchase of fixed assets, for working capital, investments into new projects and general corporate purposes.

OPGPG – a $57.625 million consortium term loan facility is in place to fund the construction of the power plant at OPGPG and the draw down has begun.

OPGG – the Directors expect the full consortium loan to be in place by August 2008, with PNB being the lead bank in the syndicate. $200 million of the required $240 million is in place, with an indicative offer over a further $12.5 million.

For the purpose of summarising the banking arrangements above an exchange rate of 1$ = INR 40 has been used.

Tax

In terms of Section 80(1A) of the Income Tax Act of India, plants starting to generate power on or before March 2010 are given a tax free status for any continuous ten years in their first 15 years of operations. However, they are subject to a Minimum Alternate Tax ("MAT") at the rate of 11.33 per cent. on their book profits. The standard corporation tax rate in India as of today is 33.99 per cent. The MAT is treated as an advanced tax and can be offset against the standard rate of corporation tax when the same is payable during the following 5 years.

Directors and Senior Management

Directors

Arvind Gupta, Managing Director and CEO – aged 47

Having graduated with a degree in commerce from University of Madras, Mr Gupta joined the OPG family business, OPG Enterprises, in 1979. He gained experience in various divisions of the business including flour milling, steel production and logistics, becoming President of Kanishk Steel. Mr Gupta managed OPG Enterprises' real estate division, completing residential, commercial and logistics projects. Having identified the opportunities in power generation, Mr Gupta took responsibility for developing this division of Kanishk Steel with initial projects in wind power generation in 1994. He was a pioneer in GCPP, in Tamil Nadu and oversaw the development of OPGE. He has been responsible for the construction and development of the power plants for OPGRE and OPGPG.

V. Narayan Swami, Finance Director – aged 57

Mr. Swami has over 30 year's experience in a variety of finance and management positions. Having started his career with the State Bank of India he moved to Ashok Leyland Limited, one of India's leading industrial companies in 1976. Between 1982 and 1992, he held a variety of positions within Standard Chartered Bank, including as Senior Manager – corporate for Southern India. Following three years with Trans Arabian Investment Bank, Mr Swami joined Essar Global Limited, one of India's largest companies in 1995, subsequently becoming CFO of Essar Telecom Group. During this time, he played a key role in the entry and subsequent planned exit of Swisscom from the venture along with the simultaneous investment of Hutchison Whampoa. After a period pursuing other interests, Mr Swami spent a year as group CFO of Bombay listed Best & Crompton Engineering before joining the Group in 2007.

Mr. M.C. Gupta, Non-Executive Chairman – aged 69

Mr Gupta is a retired senior civil servant of the Indian Administrative Service ("IAS"), the premier civil service of India. As an IAS Officer, Mr Gupta has held senior civil service appointments, including Chief Secretary to the state government of Haryana and Secretary to the Department of Industry of the Government of India, New Delhi. Mr. Gupta serves on the boards of a number of public companies in India as an independent director including Bhansali Engineering Polymers Ltd., and Lumax Industries Ltd. Mr. M C Gupta is not related to either Ravi Gupta or Arvind Gupta.

Martin Gatto, Non-Executive Director – aged 58

Mr Gatto has considerable experience as Chief Financial Officer of a number of large public companies, most recently implementing successful turnaround strategies at British Energy Plc, Midland Electricity plc and Somerfield plc. Prior to that he gained international experience as Chief Financial Officer at Hilton International Co. where he was also responsible for business development and property. He is a graduate of Brunel University and is a Fellow of the Chartered Institute of Management Accountants. He currently serves as Non-Executive Chairman on the board of AIM listed company, Neutrahealth plc.

Patrick Michael Grasby, Non-Executive Director – aged 64

Mr Grasby has held a number of senior positions in the UK and international power sector and is currently a non-executive director at Drax Group plc, where he sits on the Audit, Remuneration and Nominations Committees and Chairs the Health and Safety Committee and is a member of the British Electricity

Association and the World Energy Council. He retired from International Power in 2002, where he held a senior vice president position for global operations. During his career he has held a number of senior positions in the UK and international power industry with the Central Electricity Generating Board and National Power. He was manager of Drax Power Station between 1991 and 1995, and director of operations for National Power's portfolio, with responsibilities for over 16,000 MW of generating capacity, until 1998. Following the demerger of National Power in 1999, he joined International Power as senior vice-president, continuing with his international directorships and leading a major consortium in the Czech Republic. Mr Grasby has experience of being a director of power companies in Portugal, Turkey and Pakistan. Mr Grasby is also a director of Strategic Dimensions, an executive recruitment business. He is a Chartered Engineer, FIET and FIMechE.

Ravi Gupta, Non-Executive Director – aged 51

Mr Gupta is one of the founders and the Chairman of Kanishk Steel (listed on the Bombay Stock Exchange since 1991). Mr Gupta has been associated with the flour milling industry for many years having worked for family flour milling business, Salem Roller Flour Mills. In 1988 he set up a new flour mill, Salem Food Products Limited, which he continues to manage. Ravi Gupta is the brother of Arvind Gupta.

Senior Management

T Chandramoulee, *Director (Operations)* is responsible for operations of the power plants. Mr. Chandramoulee's previous experience includes Design Engineer for the manufacture of power equipment for Binny Engineering Ltd, Chennai and Executive Director in TCP Ltd (formerly Tamil Nadu Chemical Products Ltd), a group company of Binny Engineering Ltd. He was responsible for project management, planning and establishment of a 64 MW coal fired electrical plant for the captive use of TCP Ltd with the surplus being supplied to TNEB. Post commissioning, he was in charge of operations and management of the plant.

S. Padmanabhan, *Director, Business Development*, has a variety of experience in the banking sector having spent ten years at the Bank of India. Mr. Padmanabhan's previous positions include that of senior executive in Ashok Leyland and he has 28 years consulting experience in the power industry. He is a member of the Energy Sub Committee of the Confederation of Indian Industries.

K. Ramamoorthy, *General Manager Finance*, is responsible for all banking relationships, finance and treasury operations, foreign exchange risk management and power sector regulation compliance. He worked at the State Bank of India for more than 20 years and also at the Bank of Madura for two years.

Sambasiva Rao, *General Manager (Plant Operations*) is a Mechanical Engineer and has been with OPGE since the commencement of operations in 2004. He was previously employed with Wartsila as an Operational Engineer. He supervises plant operations and is responsible for planning for anticipated gas consumption on a monthly basis, procurement of gas, planning for the procurement of spares, preparation and issue of monthly operations reports and co-ordinating with the O&M operator for day to day operations.

Mr Rajagopalan, *General Manager (Projects)* is responsible for project management and procurement. Mr. Rajagopalan was previously employed by India Cements Limited from 1983 to 2002 and has specific experience in managing power projects.

Corporate Governance

The Directors recognise the importance of sound corporate governance whilst taking into account the size, state of developoment and nature of the Group. Following Admission, the Directors intend, insofar as is practicable given the Company's size and the constitution of the Board, and where appropriate, to comply with the main provisions of the Combined Code. The Company will comply with Rule 21 of the AIM Rules regarding dealings in the Ordinary Shares and will ensure compliance by the Directors and applicable employees. The Company will adopt a share dealing code appropriate for a Company admitted to trading on AIM. Following Admission, the Company intends to have four non-executive Directors and two executive Directors.

The Directors have established an audit and corporate governance committee ("Audit Committee") and a remuneration committee each comprising three non-executive directors. The committees have duties and responsibilities formally delegated to them by the Board. The Audit Committee is primarily responsible for ensuring that the financial performance of the Group is properly monitored and reported on. The Audit Committee also meets with the auditors and reviews reports from the auditors relating to the Group's accounting and internal controls and reviews the effectiveness of the Group's internal control sytems and considers all related parties issues. The Remuneration Committee is primarily responsible for reviewing the performance of the Group's executive Directors and senior employees and setting their remuneration and other terms of employment. The Remuneration Committee will also be responsible for administering any future employee share option scheme which the Company adopts.

Share Option Schemes

The Directors believe that equity incentives are, and will continue to be, an important means of attracting, retaining and motivating directors and key employees. The Company intends within 12 months of Admission, to implement an option scheme. Further details of the proposed share option scheme are set out in paragraph 9 of Part VII of this document.

Dividend Policy

OPGE has been profitable from commissioning and has paid a dividend. Following Admission, the Board intends that an appropriate proportion of cash resources will be distributed by way of dividend. The declaration and payment by the Company of any dividends and the amount thereof will depend on the results of the Company's operations, its financial position, cash requirements, prospects, profits available for distribution, the approval of the banks and other factors relevant at the time. As at the date of this document, the Company has not declared any dividends but does intend to pay a nominal dividend in the financial year 2009/10.

Taxation

Potential investors are referred to paragraph 19 of in Part VII of this document for details on taxation of the Company and of Shareholders in the UK and the Isle of Man.

Shareholders who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK or the Isle of Man are strongly advised to consult their own professional advisers immediately.

The City Code

The Panel on Takeovers and Mergers (the "Panel") is an independent body, established in 1968, whose main functions are to issue and administer the City Code on Takeovers and Mergers (the "Code") and to supervise and regulate takeovers and other matters to which the Code applies in accordance with the rules set out in the Code. The Company is one to which falls to be considered under paragraph 3(a)(ii) of the Introduction to the Code.

The Panel has confirmed that the Company is not currently subject to the City Code as, although its registered office is in the Isle of Man, its securities are not traded on a regulated market in the UK, or on any stock exchange in the Channel Islands or the Isle of Man, and its place of central management and control is outside the UK, the Channel Islands and the Isle of Man.

If circumstances arise which might affect the application of the City Code to the Company, including changes to the Company's Board, the Company will consult with the Panel and, if appropriate, make an update announcement.

The Company's Articles contain provisions similar to Rule 9 of the City Code (Mandatory Offers), which (in summary) entitle the Board, *inter alia*, to suspend the voting rights of a shareholder if it (and any others acting in concert with it) would be required to make an offer to acquire all the Ordinary Shares in the Company under Rule 9 of the City Code, if the City Code applied to the Company and the shareholder has failed to do so within 21 days of when such obligation would have arisen. The Articles contain provisions for holders of Ordinary Shares and do not extend to holders of interests in securities as defined under the City Code. Paragraph 9 of Part VII contains a summary of the Articles.

Additional Information

Prospective investors should read the whole of this document which provides additional information on the Group and the Placing and not rely on summaries or individual parts only. In particular, the attention of prospective investors is drawn to Part III of this document which contains a summary of the risk factors in relation to any investment in the Ordinary Shares.

PART II

THE PLACING

Details of the Placing

The Company is proposing to raise approximately £65.1 million through a conditional Placing by Cenkos of 108,418,367 Ordinary Shares at 60 pence per Ordinary Share. The Ordinary Shares will represent 37.8 per cent. of the Company's Enlarged Share Capital. Save as disclosed in Part I of this document, there are no options granted at the date of Admission.

The Ordinary Shares to be issued on Admission will rank, on issue, *pari passu* with the Existing Ordinary Shares including the right to receive dividends and other distributions, that will be made or paid after Admission. Following the Placing, the interests of the Directors will amount, in aggregate, to 62.2 per cent. of the Enlarged Share Capital. Further details of the Directors' interests in the Ordinary Shares are set out in paragraph 10 of Part VII of this document.

Pursuant to the Placing Agreement, Cenkos has conditionally agreed with the Company, among others, on and subject to the terms set out therein, to use reasonable endeavours to procure institutional and other investors to subscribe for Ordinary Shares at the Placing Price. To the extent that the Ordinary Shares are not subscribed by placees, Cenkos is not required to subscribe for those shares. The Placing is conditional, amongst other things, on the Placing Agreement becoming unconditional and not being terminated in accordance with its terms and Admission taking place.

The Placing Agreement contains warranties (which, so far as the Directors are concerned, are limited in amount and duration), undertakings and other agreements on the part of the Company and the Directors in favour of Cenkos. In addition, the Company has given Cenkos an indemnity which applies in certain circumstances.

The obligations of Cenkos are conditional on, amongst other things, Admission taking place by 8 am on 30 May 2008 (or such later time and date, being not later than 8 am on 30 June 2008, or as Cenkos shall agree). Cenkos is also entitled to terminate the Placing Agreement at its absolute discretion in certain specified circumstances prior to Admission. If this right is exercised, the Placing will lapse.

On Admission, at the Placing Price, the Company will have a market capitalisation of approximately £172.2 million.

Further details of the Placing Agreement are set out in paragragh 14 of Part VII of this document.

Lock-in arrangements

Each of Arvind Gupta, Gita Investments and Gita Holding (the "Controlling Shareholders") have entered into a lock-in deed in accordance with the Placing Agreement in respect of 170,068,027 Ordinary Shares representing 59.3 per cent. of the Enlarged Share Capital, the terms of which are described more fully in paragraph 14 of Part VII of this document.

Under the terms of these arrangements, the Controlling Shareholders have, conditional on Admission, agreed, subject to certain exclusions, not to sell, transfer or otherwise dispose of any Ordinary Shares held by them for a period of 36 months following Admission.

The Directors have also agreed that, following Admission, any sale or disposal of their Ordinary Shares will be effected through the Company's broker on a best price and execution basis.

Settlement, dealings and CREST

Application has been made for Admission of the Ordinary Shares to trading on AIM. It is expected that Admission to trading will become effective and that dealings in the Ordinary Shares will commence at 8:00 a.m. on 30 May 2008.

Application has been made for all of the Ordinary Shares to be eligible for admission to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary shares following Admission may take place in CREST if the relevant Shareholder so wishes. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a share certificate and transferred otherwise than by written instrument. The Articles permit the holding and transfer of Ordinary Shares under the CREST system. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. Persons acquiring shares as a part of the Placing may elect to receive Ordinary Shares in uncertificated form if, but only if, that person is a "system-member" (as defined in the CREST Regulations) in relation to CREST.

It is expected that, subject to the satisfaction of the conditions of the Placing, the New Ordinary Shares will be registered in the names of the placees subscribing for them and issued either:

- in certificated form, where the placee so elects, with the relevant share certificate expected to be dispatched by post, at the placees risk, by 7 June 2008; or
- in CREST, where the placee so elects and only if the placee is a "system member" (as defined in the CREST Regulations) in relation to CREST, with delivery (to the designated CREST account) of the New Ordinary Shares subscribed for expected to take place on 30 May 2008.

Notwithstanding the election by placees as to the form of delivery of the New Ordinary Shares, no temporary documents of title will be issued. All documents or remittances sent by or to a placee, or as they may direct, will be sent through the post at their risk.

Pending the dispatch of definitive share certificates (as applicable), instruments of transfer will be certified against the Company's register of members.

PART III

RISK FACTORS

Potential investors should carefully consider the specific risks described below before making a decision to invest in the Company. If any of the following risks actually occur, the Group's business, financial condition, results or future operations could be materially affected. In such circumstances, the price of the Company's shares could decline and investors could lose all or part of their investment. This document contains forward-looking statements that involve risks and uncertainties. The Group's results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Group, which are described below and elsewhere in the document. Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Group's business. The information set out below does not constitute an exhaustive summary of the risks affecting the Group and is not set out in any order of priority. In particular, the Group's performance may be affected by changes in legal, regulatory and tax requirements in any of the jurisdictions in which it or any of its group companies operate or intend to operate as well as overall global financial conditions.

Company related risk factors

Delay or cost over-run in the construction of new projects

The length of the construction period and the capital required to complete any given project may be affected by different factors such as disputes with workers or contractors, price increases, shortages of construction materials, delays in supply from various contractors, accidents, unforeseen difficulties, changes in governmental policies and delays in receipt of necessary approvals. Such events may give rise to delays or cost over-runs, and there can be no guarantee that the proposed projects will be operational within the expected timeframe or within the budgeted cost. This could have a material adverse effect on the Group's revenue. While the Group seeks to minimise this risk by including liquidated damages clauses in its contracts with the relevant contractors in respect of matters such as delays and substandard workmanship, short fall in performance, guarantees and warranties, it cannot ensure that all potential liabilities are covered. In addition, whilst the Group would maintain insurance cover in respect of natural disasters and other insurable risks, in accordance with market practice, this may not cover delays or significant overruns in project development.

Capital intensity and availability and terms of debt financing factors

The development of power plants is a capital intensive business and the Group's projects require a high level of debt financing. The funding plans in respect of various projects are based on management estimates of the likely costs of developing the respective power plants, based on estimates from suppliers and contractors, the Group cannot guarantee that the funding requirements of any particular project will not substantially exceed these estimates. The funding requirements of a particular project may increase and the Group will need to look for additional sources of finance, which may not be readily available, or which may not be available on attractive terms. Moreover, the ability to raise such capital is often affected by the overall credit availability in India and often varies not only dependent on the cost of borrowing but also dependent on the terms on which such financing is available.

Retention of business relationships

The Group will rely significantly on strategic relationships with other entities such as captive consumers of power, banks, suppliers and contractors. The Group also relies upon third parties to provide essential contracting services, such as construction, and the operation and management of its power plants. Failure to maintain these relationships may have a material and adverse effect on the Group's financial condition and operations.

Attraction and retention of key employees

The Group will rely significantly on a small number of key individuals, in particular the executive Directors and senior management. The Group is currently developing two large plants which present a significant challenge to the managerial, operational and administrative resources of the Group. The

Group's business may be negatively affected by the departure of any of these individuals, or any of a number of other key employees. There can be no guarantee that the Group will be able to continue to attract and retain required employees.

Gestation period of power plants

Due to the gestation period required for all power projects, a substantial capital outlay is required before projects become operational and it may take substantial time before cash flows are generated. The Group would enter into agreements with suppliers and contractors with a good track record of performance, and many agreements would provide for liquidated damages for delays. The time and cost required to complete a project may, however, vary significantly from current estimates due to external factors such as shortage of materials, equipment, technical skills or labour, adverse weather conditions, disputes with contractors, delays in obtaining requisite licenses, permits and changes in government policies and priorities.

Power sale arrangement factors

The Group's power plants will derive most of their revenue from the group captive model selling power to captive consumers and partly from sale on short term, medium term, or long term sale basis and would, for this purpose, enter into power purchase agreements with counterparties such as captive consumers, power trading companies, SEBs and distribution companies. Such power purchase agreements often have a revenue structure which are significantly fixed over the life of a contract and with minimal variation on account of in-built adjustment mechanisms. As a result, there are often restrictions on the Company's ability to, amongst other things, increase prices at short notice, sell interests to third parties and undertake expansion initiatives with other customers. These restrictions, in addition to the completion of any residual regulatory compliance requirements on customer substitution could restrict the ability to grow revenue from the existing businesses.

Fuel supply factors

The new plants under construction depend on imported coal to be used as fuel. Although the Group could use Indian coal if required, the dependence on imported coal exposes the Group's power plants to vulnerabilities such as non-supply, price increases in the international market, foreign exchange fluctuations, and increase in shipping costs. In the case of the natural gas supply arrangements with GAIL for OPGE, the gas supply agreement expires in 2010, with a standard renewal clause. In the event that GAIL does not renew this agreement, or there is a loss of supply for any reason, OPGE would have to make alternative arrangements in a timely manner and any delay could adversely affect the revenues of the Group.

OPG Metals

OPG Metals is dependent on OPGE for its entire energy requirements. The contribution of OPG Metals has increased from 3 per cent. of total sales in 2005 to 66 per cent. in 2008. Whilst the Directors believe that they have expressions of interest from parties requiring more power than currently supplied to OPG Metals, the Company's financial performance may be adversely affected should OPG Metals stop drawing power and not be replaced by the other parties immediately.

Competition

The Group will compete with a range of other Indian and foreign companies in the power sector. Though the Group's group captive model provides clear attractions to its consumers there is a possibility of intensified competition and associated pressures on market shares and margins. Whilst the Group's business model does not envisage immediate competition in these areas, it is impossible to rule out the effect of indirect competition on the Company's business, its prospects, profitability and results of operations.

Substantial shareholder influence

Following Admission, Gita Investments Ltd and Gita Power Inc. will own a significant percentage of the Company and will continue to have the ability to exercise a controlling influence on the business and may cause or take actions that are not in, or may conflict with, the best interests of the Company or

its Shareholders. The market price of Ordinary Shares could decline as a result of sales of Ordinary Shares by one or both of Gita Investments Ltd and Gita Power Inc. following the expiry of the lock-in period or by the perception of the market that such sales could occur.

Exchange rate fluctuation

As a consequence of the international nature of its business, the Company is exposed to risks associated with changes in foreign currency exchange rates. The Company is based in India and its functional currency is Indian Rupees although the presentational currency is US Dollars. The Company has not engaged in hedging or other risk management activities and as a result, the Company's financial results may be affected by appreciation or depreciation of the value of the US Dollar relative to the Indian Rupee.

Minority Interests

The Cypriot Subsidiaries entered into Voting Agreements which are set out in paragraph 16 of Part VII of this document. The Cypriot Subsidiaries, in their own right, shall following Admission hold 22 per cent. of the voting interests in OPGRE. The aggregate effect of these Voting Agreements is to grant the Cypriot Subsidiaries a further 56.35 per cent. of the voting rights in OPGRE. OPGPG entered into Voting Agreements, further details of which are set out in paragraph 16 of Part VII of this document. OPGPG in its own right, shall following Admission, hold 29.78 per cent. of the voting interests in OPGE. The aggregate effect of these Voting Agreement is to grant OPGPG a further 36.88 per cent. of the voting rights in OPGE. Accordingly, by way of the Voting Agreements, the Cypriot Subsidiaries and OPGPG will maintain the ability to exercise voting control of OPGRE and OPGE. Whilst the Directors do not envisage any circumstances that might lead to premature termination of any of these Voting Agreements, any such termination may have an adverse effect on the Group's financial condition. The Voting Agreements expire on 30 November 2011 and, whilst the Directors expect that they will be renewed, any non-renewal may have a detrimental impact on the Group's financial position.

Risks relating to India

Growth strategy factors

The Group's projects are geographically spread across India and the Group may face additional risks due to geographical expansion and associated challenges with regard to knowledge of local cultures, development approach, support from relevant local authorities and various stakeholders. Further, as a significant part of the enlarged Group's income stream will be derived from the progress achieved through its power projects, any delay due to unforeseen circumstances would seriously affect the realization of expected development revenue and other cash flow during the pre-operations stage. This would not only seriously impair the profitability of the Company but also its ability to take up additional growth opportunities.

Natural disasters

India remains a partly agrarian economy and a significant portion of its GDP is derived from agriculture. As a result, severe monsoons or drought conditions could impact negatively on India's agricultural production and dampen momentum in some sectors of the Indian economy which could adversely affect the Company's performance.

The existing operation of the Group and new projects that may be undertaken are subject to the impacts of natural disasters such as earthquakes, epidemics, fires and floods etc. No assurance can be given that the Group will not be affected by future natural disasters. The Group has insurance policies in respect of damage to its existing projects although these policies contain exclusions in respect of certain events such as war or certain natural disasters.

Financial instability in other countries may cause increased volatility in Indian financial markets

Since 1991, successive Indian governments have pursued policies of economic liberalisation and financial sector reforms. The Indian parliament was dissolved in February 2004 and, following the general elections held during April and May 2004, a new coalition government, the United Progressive Alliance, led by the Indian National Congress Party, was formed. The new government has since announced its general intention to continue India's current economic and financial sector liberalisation and deregulation policies. However, there can be no assurance that those policies will continue and any significant change in the Indian government's future policies could affect general business and

economic conditions in India and could also affect the Company's business and investments. In addition, any political instability in India could adversely affect the Indian economy in general, which could also affect the value of the investments in the Company. India has in the past experienced periods of political instability and, in some cases, civil unrest and clashes and is located in a region historically characterised by instability.

The Indian market and Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm the Company's business and have a negative impact on the Company's share price.

Hostilities in India may have a material adverse effect on investments in the Group

India's relations with its neighbouring countries have historically been tense. Although there are periodic efforts to normalise relations between the two countries, significant military confrontations between India and Pakistan have occurred in the disputed region of Kashmir in the last few years and both India and Pakistan continue to allocate substantial resources to the defence of their borders. The Indian government is also confronted by separatist movements in certain states, including Jammu and Kashmir. India's population is comprised of numerous ethnic groups with diverse religions and languages, sometimes resulting in communal conflict among groups. Problems of this nature in the future could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including the Company.

India has previously experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Military activity or terrorist attacks in future could influence the Indian economy by disrupting communications and making travel more difficult, and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within countries in Asia, could influence the Indian economy and could have a material adverse effect on investments by the Group in securities or debt of Indian companies.

Risks relating to the Isle of Man

The Company is a newly formed company with no operating history and therefore has no track record to aid investors in evaluating potential future performance

The Company is a limited company incorporated under the IOM CA 2006 and has not yet commenced operations. The Company does not have any historic financial statements or other meaningful operating or financial data on which potential investors may evaluate the performance of the Company. Investments in the Ordinary Shares are therefore subject to all the risks and uncertainties associated with any new business, including the risk that the Company will not achieve its investment objectives, which will depend on future events or circumstances. Many of these events and circumstances cannot be predicted and are events or circumstances over which the Company has no control. Consequently, the value of any potential investor's investment could decline substantially including to the point of a total loss of investment.

General risk factors

Environmental factors

Although, the Directors have purposely selected equipment that will enable the Group to adhere to the environmental norms in India by margins significantly higher than stipulated by the Federal State authorities, the Group's operations will be subject to environmental regulation with regular environmental impact assessments and evaluation of operations required before any permits are granted to the Group. Environmental regulations are likely to evolve in a manner that will require stricter standards and enforcement measures being implemented, increases in fines and penalties for non-compliance, more

stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees. Compliance with environmental regulations could increase the Group's costs.

Economic and political risk

The Group's current assets and operations will be located in India where there may be risks over which it will have no, or limited, control. These may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes to laws affecting foreign ownership, government participation, taxation, working conditions, exchange control and custom duties as well as government control over domestic production. Whilst no material changes are anticipated to sales, employment or corporation taxes, any such changes may have a material adverse effect on the Group's financial condition.

Regulatory factors

The worldwide power industry is subject to regulation, which can be expensive to moderate. Whilst the Group's business model of GCPPs is not rigidly regulated, it cannot be viewed in isolation but must be viewed in the wider context of the rest of the industry and broad goals of the Indian government at large. While the sector's various policies and legislation do not currently indicate anything to the contrary, it is impossible to rule out potential changes, additional reforms, adverse regulations, or other orders affecting the Group's business and its financial condition.

Future raising of additional funds

The Groups capital requirement will depend on numerous factors, including its ability to identify acquisition opportunities and to expand its penetration of the markets in which it operates. The Group cannot predict accurately the timing and amount of its capital requirements. If its capital requirements vary materially from its plans, the Group may require further financing sooner than anticipated. Market conditions may prevent additional funds from being raised which could restrict the development of the Group.

Borrowings

The Group will fund its projects partially through borrowings. The debt to equity ratio is likely to differ in respect of each plant. The extent of borrowings and their terms will depend on the Group's ability to obtain credit facilities, the lender's estimate of the stability of each plant's cash flow and the Indian debt market at any time. Any delay or failure in obtaining suitable and adequate financing from time to time may impair the Group's ability to develop the plants within the anticipated timeframe or at all and this would have a material adverse effect on the Group's ability to achieve its investment performance and increase in value for its Shareholders.

Tariff and regulatory regime

The profitability of the Group will be in part dependent upon the continuation of a favourable regulatory regime with respect to its projects. The failure to obtain or to continue to comply with all necessary approvals, licences or permits, including renewals or modifications, may adversely affect the Group's performance. Delays caused in obtaining such approvals due to objections from third parties may also adversely affect the Group's business and operations. Similarly, the EA 2003 provides a favourable framework for securing attractive returns through the freedom to set tariffs independently. Although government targets on capacity enlargement are still not met, the government may change the GCPP Reg in the future, which will, in turn, affect the viability of acquisitions/new build projects based on current costs.

Dividends

The Group will only consider the payment of dividends as and when it is appropriate to do so. As such, it is not possible to give an indication of the likely level of any future dividends. To the extent that any dividends are paid they will be paid in accordance with any applicable laws and the regulations to which the Group is subject. The amount of the dividends paid to Shareholders will fluctuate according to levels of profits earned by the Group and will be dependent on sufficient distributable reserves being available to the Group.

Tax Risks

The Group is subject to tax in a number of jurisdictions. The ultimate treatment of significant transactions by the relevant tax authority is not determinable with certainty at the time of the Placing and Admission. In addition, the application of taxes to the Group may change over time due to changes in laws, regulations or interpretations by the tax authorities, tribunals and courts. While no material changes are anticipated in such taxes, any such changes may have a material adverse effect on the Group's financial condition and the results of its operations.

Trading market for the Ordinary Shares

The market price of the Ordinary Shares may be subject to fluctuations in response to many factors, including variations in the operating results of the Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions, legislative changes in the Group's sector and other events and factors outside of the Group's control.

In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Ordinary Shares. Admission to AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares. It may be more difficult for an investor to realise their investment in the Company than in a company whose shares are quoted on the Official List.

The Ordinary Shares will be quoted on AIM rather than the Official List. The AIM Rules are less demanding than those of the Official List and an investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List. AIM has been in existence since June 1995 but its future success and liquidity in the market for Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment.

The market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets. The price at which investors may dispose of their Ordinary Shares in the Company may be influenced by a number of factors, some of which may be outside the Group's control. On any disposal, investors may realize less than the original amount invested.

PART IV

HISTORICAL FINANCIAL INFORMATION

The historical financial information on the Group is presented in this Part IV as follows:

- Parts IV A and IV B – the historical financial information on the Company for the period from its incorporation on 17 January 2008 to 31 March 2008 and the accountant's report thereon. The historical financial information on the Company has been presented for the period from incorporation on 17 January 2008 to 31 March 2008 on a standalone basis as the Company was formed to act as the ultimate holding company of the Group and no consolidated accounts have been prepared, audited or filed since its incorporation.
- Parts IV C and IV D – the historical financial information on OPG Energy Private Limited for the three years ended 31 March 2007 and the accountant's report thereon.
- Parts IV E and IV F – the historical financial information on OPG Power Generation Private Limited for the two years ended 31 March 2007 and the accountant's report thereon. OPG Power Generation Private Limited was incorporated on 21 February 2005 and did not have any activities from 21 February 2005 to 31 March 2005.
- Parts IV G and IV H – the historic financial information on OPG Renewable Energy Private Limited for the period from its incorporation on 17 July 2006 to 31 March 2007 and the accountant's report thereon.

PART IV A

HISTORICAL FINANCIAL INFORMATION ON OPG POWER VENTURES PLC FOR THE PERIOD ENDED 31 MARCH 2008

1. Introduction

The historical financial information on OPG Power Ventures Plc ("the Company"), which has been prepared solely for the purpose of the AIM Admission Document of the Company, contained in this Part IV A, does not constitute audited statutory accounts within the meaning of Section 240 of the United Kingdom Companies Act.

2. Basis of preparation

The historical financial information has been prepared for the purposes of the Admission Document in accordance with the Listing Rules and the AIM Admission Rules of the Financial Services Authority (the "Admission Document").

The historical financial information is prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted for the use in the European Union (EU) ("Adopted IFRSs").

3. Responsibility

The Directors of the Company are responsible for the historical financial information on the Company and the contents of the AIM Admission Document in which it is included.

4. Statutory information

OPG Power Ventures Plc was incorporated in the Isle of Man on 17 January 2008.

The Company has incorporated two wholly owned subsidiary undertakings: Gita Energy Pvt Limited incorporated in Cyprus and Gita Holdings Pvt Limited incorporated in Cyprus.

5. Statement of operations

The Company has not traded since 17 January 2008, the date of its incorporation, until 31 March 2008; hence an income statement has not been presented.

6. Balance Sheet

	As at 31-Mar 2008 £
ASSETS	
Current	
Cash and cash equivalents	19,102
Advances to subsidiaries	5,898
	25,000
LIABILITIES AND SHAREHOLDERS' EQUITY	
Shareholders equity	
Share capital	25,000
	25,000

7. Share Capital

The issued share capital as at the date of this document is 2,500,000 Ordinary Shares of £ 0.01 each.

The Company was incorporated with one ordinary share of £ 0.01, which was issued to Wilton Secretaries Limited.

On 29 January 2008 the ordinary share of £0.01 issued to Wilton Secretaries Limited was re-denominated to one ordinary share of US $0.01 and was transferred to Gita Investments Limited. On the same day, a further 4,499,999 ordinary shares of US $0.01 were issued to Gita Investments Limited and 500,000 ordinary shares of $0.01 were issued Gita Power Inc.

The shares were issued for total consideration of £25,000. Part of these proceeds were advanced to Gita Energy Pvt Limited and Gita Holdings Pvt Limited in respect of set up and associated costs.

On 4 April 2008 the issued share capital of the Company of 5,000,000 ordinary shares of US $0.01 was converted into 2,500,000 ordinary shares of £0.01.

8. Subsequent events

The Company has entered into agreements with pre-IPO investors as outlined in paragraph 6.1 of Part VII of this document.

PART IV B

ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION ON OPG POWER VENTURES PLC

Grant Thornton UK LLP
Grant Thornton House
Melton Street
LONDON
NW1 2EP

OPG Power Ventures Plc
22 Athol Street
Douglas
Isle of Man
IM1 1JA

23 May 2008

Dear Sirs

OPG Power Ventures Plc

We report on the historical financial information on OPG Power Ventures Plc set out in Part IV A. This historical financial information has been prepared for inclusion in the AIM admission document dated 23 May 2008 of OPG Power Ventures Plc (the "Admission Document") on the basis of preparation set out in note 2 of Part IV A on page 29. This report is required by Schedule Two of the AIM Rules and is given for the purpose of complying with that Schedule and for no other purpose.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report.

Responsibilities

The Directors of OPG Power Ventures Plc are responsible for preparing the historical financial information on the basis of preparation set out in note 2 to the historical financial information on page 29.

It is our responsibility to form an opinion as to whether the historical financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the historical financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the historical financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the historical financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the historical financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of OPG Power Ventures Plc as at the date stated in accordance with the basis of preparation set out in note 2 on page 29.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

GRANT THORNTON UK LLP

PART IV C

HISTORICAL FINANCIAL INFORMATION ON OPG ENERGY PRIVATE LIMITED FOR THE THREE YEARS ENDED 31 MARCH 2007

1. Corporate Information

OPG Energy Private Limited ("OPGE") was incorporated on 11 September 2000 in India with registered number 18-45702. The registered office of OPGE is 26, K B Dasan Road, Teynampet, Chennai – 600 018, India.

OPGE Energy is engaged in generation and transmission of electricity. OPGE has been set up as a joint venture with some of the power consuming customer companies as per the Captive Power Policy of Tamil Nadu Electricity Board ('TNEB'). OPGE has a natural gas based power plant at Maruthur Village near Mayiladuthurai, Tamil Nadu, India.

2. Basis of preparation

The historical financial information has been prepared for the purposes of the Admission Document in accordance with the Listing Rules and the AIM Admission Rules of the Financial Services Authority (the "Admission Document"),

The historical financial information is prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted for the use in the European Union (EU) ("Adopted IFRSs") except in respect of the following:

- the historical financial information does not constitute a set of general purpose financial statements under paragraph 3 of IAS 1 – 'Presentation of Financial Statements' and consequently the Group does not make an explicit and unreserved statement of compliance with IFRS as contemplated by paragraph 14 of IAS 1. A company is only permitted to apply the first-time adoption rules of IFRS 1 – 'First-time Adoption of International Financial Reporting Standards' in its first set of financial statements where such an unreserved statement of compliance has been made. Although such a statement has not been made here, the combined historical financial information has been prepared as if the date of transition to IFRS was 1 April 2004, the beginning of the first period presented, and the requirements of IFRS 1 have been applied since that date.
- OPGE's deemed transition date to IFRS is 1 April 2004. The rules for first-time adoption of IFRS are set out in IFRS 1. In preparing subsequent consolidated financial statements in accordance with IFRS, the date of transition, as determined in accordance with IFRS 1, will not be 1 April 2004 and therefore the first time adoption rules will be applied at a date other than 1 April 2004 with a consequential impact on the opening IFRS balance sheet.

The transition from Indian GAAP to IFRS has been made in accordance with IFRS 1 'First Time Adoption of International Financial Reporting Standards'. On adoption of IFRS, OPGE has elected to fair value of land and building as deemed cost as at the transition date.

a. ***Statement of responsibility***

The Directors of OPG Power Ventures Plc are responsible for the historical financial information on OPGE and the contents of the AIM Admission Document in which it is included. The financial statements were approved by the Board of Directors on 23 May 2008.

3. Balance Sheet

	Note	As at 31 March 2005 $	As at 31 March 2006 $	As at 31 March 2007 $
ASSETS				
Current				
Inventories	3	48,856	89,213	137,295
Trade receivables	4	1,022,703	1,957,808	313,237
Cash and cash equivalents	5	10,043	670,799	111,998
Restricted cash	—	14,659	30,593	197,184
Investments held for trading	6	—	237,582	282,043
Advances to related parties	7	2,159,386	4,922,079	14,426,169
Other current assets	8	547,424	552,245	410,856
Total current assets		3,803,071	8,460,319	15,878,782
Non current				
Property, plant and equipment	9	10,926,266	10,090,302	9,679,814
Capital advances	10	85,416	—	—
Available for sale investments	11	603	162,115	126,491
Total non current assets		11,012,285	10,252,417	9,806,305
Total assets		14,815,356	18,712,736	25,685,087
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Trade and other payables	12	327,604	351,374	176,750
Current tax liabilities		111,299	60,902	60,837
Other liabilities	14	599,707	433,625	720,080
Borrowings	15	538,936	1,057,879	1,897,519
Total current liabilities		1,577,546	1,903,780	2,855,186
Non current liabilities				
Borrowings	15	4,864,170	3,712,834	6,515,245
Redeemable preference shares	19	2,400,384	2,081,019	—
Deferred tax liability	13	225,208	311,686	406,895
Total non current liabilities		7,489,762	6,105,539	6,922,140
Total liabilities		9,067,308	8,009,319	9,777,326
Shareholders' equity				
Share capital	16	1,399,035	1,399,035	1,399,035
Capital redemption reserve		—	—	2,051,758
Revaluation reserve		—	24,886	9,508
Translation reserve		210,924	67,476	550,377
Retained earnings		4,138,089	9,212,020	11,897,083
Total shareholders' equity		5,748,048	10,703,417	15,907,761
Total liabilities and shareholders' equity		14,815,356	18,712,736	25,685,087

4. Income statement

	Note	*Year ended 31 March 2005 $*	*Year ended 31 March 2006 $*	*Year ended 31 March 2007 $*
REVENUES				
Operating revenues		9,422,541	9,696,650	9,852,547
		9,422,541	9,696,650	9,852,547
EXPENSES				
Cost of power generation	18	(2,948,623)	(3,377,930)	(3,346,618)
Employee costs	19	(51,121)	(37,596)	(37,462)
Other expenses		(239,852)	(194,517)	(95,335)
Depreciation	9	(649,753)	(672,133)	(657,942)
Total expenses		3,889,349	4,282,176	4,137,357
Operating profit		5,533,192	5,414,474	5,715,190
Other income	20	51	14,618	45,927
Finance income	21	118,031	714,216	100,724
Finance costs	22	(505,927)	(541,976)	(438,803)
Profit from continuing operations before tax		5,145,347	5,601,332	5,423,038
Income tax	13	(500,134)	(527,401)	(686,217)
Profit attributable to shareholders of OPG Energy Private Limited		4,645,213	5,073,931	4,736,821
Earnings per share				
Basic and Diluted ($)	24	0.70	0.76	0.71

5. Statement of Changes in Shareholders' Equity

	Share capital *$*	*Capital Redemption reserve* *$*	*Revaluation reserve* *$*	*Translation reserve* *$*	*Retained earnings* *$*	*Total shareholders' equity* *$*
Balance as at 1 April 2004	1,399,035	—	—	82,477	(507,124)	974,388
Translation adjustment	—	—	—	128,447	—	128,447
Income recognised directly in equity	—	—	—	128,447	—	128,447
Profit for the year	—	—	—	—	4,645,213	4,645,213
Total income and expense recognised for the year	—	—	—	128,447	4,645,213	4,773,660
Balance as at 31 March 2005	1,399,035	—	—	210,924	4,138,089	5,748,048
Balance as at 1 April 2005	1,399,035	—	—	210,924	4,138,089	5,748,048
Unrealised gain on available for sale investments	—	—	28,031	—	—	28,031
Deferred tax on available for sale investments	—	—	(3,145)	—	—	(3,145)
Translation adjustment	—	—	—	(143,448)	—	(143,448)
Income recognised directly in equity	—	—	24,886	(143,448)	—	(118,562)
Profit for the year	—	—	—	—	5,073,931	5,073,931
Total income and expense recognised for the year	—	—	24,886	(143,448)	5,073,931	4,955,369
Balance as at 31 March 2006	1,399,035	—	24,886	67,476	9,212,020	10,703,417
Balance as at 1 April 2006	1,399,035	—	24,886	67,476	9,212,020	10,703,417
Unrealised loss on available for sale investments	—	—	(17,320)	—	—	(17,320)
Deferred tax on available for sale investments	—	—	1,942	—	—	1,942
Translation adjustment	—	—	—	482,901	—	482,901
Income/ (expense) recognised directly in equity	—	—	(15,378)	482,901	—	467,523
Profit for the year	—	—	—	—	4,736,821	4,736,821
Total income and expense recognised for the year	—	—	(15,378)	482,901	4,736,821	5,204,344
Transfer to capital redemption reserve on redemption of preference shares	—	2,051,758	—	—	(2,051,758)	—
Balance as at 31 March 2007	1,399,035	2,051,758	9,508	550,377	11,897,083	15,907,761

6. Statement of Cash Flows

	Year ended 31 March 2005 $	*Year ended 31 March 2006 $*	*Year ended 31 March 2007 $*
Cash flow from operating activities			
Net profit before tax	5,145,347	5,601,332	5,423,038
Adjustments to reconcile net result before tax to net cash provided by operating activities			
Interest on term loan	206,239	292,185	415,941
Interest on preference capital	268,575	229,702	—
Interest on preference capital reversed	—	(506,595)	—
Depreciation	649,753	672,133	657,942
Dividend and interest income	(118,081)	(175,100)	(129,098)
Profit on sale of investments	—	(3,303)	(35,851)
Unrealised (gain)/ loss on trading investment	—	(32,541)	18,289
Loss on sale of property, plant and equipment	2,337	—	—
Changes in operating assets and liabilities			
Increase in trade receivable, net	(762,702)	(2,256,935)	(1,622,302)
Increase in inventories	(38,595)	(41,571)	(43,838)
Increase/(Decrease) in other current assets	42,846	(14,629)	155,457
(Increase)/Decrease in trade and other payable	(136,723)	189,675	(170,932)
(Increase)/Decrease in other liabilities	105,329	(156,114)	263,717
Net changes in operating assets and liabilities	(789,845)	(2,279,574)	(1,417,898)
Income taxes paid	(296,271)	(487,870)	(602,694)
Net cash provided by operating activities	5,068,054	3,310,369	4,329,669
Cash flow from investing activities			
Interest income	134	133,885	1,460
Income from available for sale investments	—	20	10,076
Purchase of property, plant and equipment	(1,967,766)	(109,259)	(11,618)
Proceeds from sale of property, plant and equipment	6,675	—	4,088
Advances provided to related parties	(2,636,312)	(2,164,746)	(5,755,289)
Advances recovered from related parties	650,257	677,568	123,746
Purchase of available for sale investments	—	(546,926)	(206,809)
Proceeds from Sale of available for sale investments	—	208,404	209,645
Net cash used in investing activities	(3,947,012)	(1,801,054)	(5,624,701)
Cash flow from financing activities			
Redemption of preference shares	—	—	(2,051,758)
Interest paid	(128,051)	(263,791)	(420,205)
Proceeds from secured loans	—	—	4,419,512
Repayment of secured loans	(963,030)	(564,536)	(1,043,005)
Movement in restricted cash	(14,283)	(16,327)	(159,125)
Net cash (used in)/ provided by financing activities	(1,105,364)	(844,654)	745,419
Effects of exchange rate changes on cash	(909)	(3,905)	(9,188)
Cash and cash equivalents at the beginning of the year	(4,726)	10,043	670,799
Cash and cash equivalents at the end of the year	10,043	670,799	111,998
Cash and cash equivalents comprise			
Cash in hand	56	4,289	14,620
Balance with banks	9,987	666,510	97,378
	10,043	670,799	111,998
Supplemental cash flow information			
Non cash transfer of accounts receivable to advance to related parties	—	1,295,742	3,226,718

HISTORICAL FINANCIAL INFORMATION ON OPG ENERGY PRIVATE LIMITED FOR THE THREE YEARS ENDED 31 MARCH 2007

1) Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) ***Basis of measurement***

The historical financial information has been prepared in accordance with the accounting and reporting requirements of IFRS on historical cost basis, except for the following:

- land and building measured at fair value at the date of transition.
- available for sale financial assets have been measured at fair value.

b) ***Functional and presentation currency***

The functional currency of OPGE is the Indian Rupee ('INR' or 'Rs.'), the currency of the primary economic environment in which it operates. The presentation currency of OPGE is the US Dollar ('US$').

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of remaining balances at year-end exchange rates are recognised in the income statement under "other income" or "other expenses", respectively

The historical financial information is reported in a currency different from OPGE's functional currency. Assets and liabilities have been translated into US$ at the closing rate at the balance sheet date. Income, expenses and cash flows have been converted at the average rates over the reporting period. The resulting translation adjustments are recorded under the currency translation reserve in equity.

The following rates have been used for conversion of INR to USD:

	Year end rate	*Average rate*
2004	44.13	—
2005	43.79	44.94
2006	44.62	44.29
2007	43.44	45.25

c) ***Use of estimates and judgement***

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- utilisation of tax losses
- accounting for an arrangement containing a lease
- provision and contingencies
- valuation of financial instruments

d) ***Foreign currency transactions***

Transactions in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non - monetary assets and liabilities denominated in foreign currencies that are measured at the fair value are retranslated to functional currency at the exchange rate at the date the fair value are determined. Foreign currency differences arising on retranslation are recognised in the income statement, except for difference arising on the retranslation of available for sale equity instruments which are recognised directly in equity.

e) ***Financial instruments***

i *Non-derivative financial instruments*

Non-derivative financial instrument comprise investment in equity and debt securities, and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through the income statement, any directly attributable transaction costs. Subsequent to initial recognition non derivative financial instruments are measured as described below.

Cash and Cash equivalents

Cash and cash equivalent comprise cash balance and call deposits. Bank overdraft that are repayable on demand and form an integral part of OPGE's cash management are included as component of cash and cash equivalent for the purpose of the statement of cash flows.

Restricted cash

Restricted cash comprise cash deposits which have restrictions governing their use, all of which expires within twelve months from inception of the deposit. Classification of restricted cash as current or non current is based on the remaining length of the restriction governing its use.

Available for sale investments

OPGE's investment in equity securities are classified as available for sale financial assets. Subsequent to initial recognition they are measured at fair value and changes therein other than impairment losses and foreign exchange gains and losses on available for sale monetary items, are recognised directly in equity. When an investment is derecognised the cumulative gain or loss in equity is transferred to the income statement.

Other

Other non derivative financial instruments are recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses.

ii *Share capital*

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as deduction from equity, net of any tax effects.

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at OPGE's option, and any divided are discretionary. Dividends thereon are recognised within equity upon approval by OPGE's shareholders.

Preference share capital is classified as liability if it is redeemable on a specific date of at the option of the shareholders, or dividend payments are not discretionary. Dividends thereon are recognised as interest expenses in profit or loss as accrued.

f) ***Property, plant and equipment***

Property, plant and equipment except land and building are stated at cost of acquisition less accumulated depreciation. Direct costs are capitalised until the assets are ready for use and include inward freight, duties, taxes and expenses incidental to acquisition and installation.

Land and building are measured at fair value at the date of transition. The excess of fair value over the carrying amount has been adjusted to the opening balance of retained earnings at the date of transition.

Parts of some items of property, plant and equipment require replacement at regular intervals. OPGE recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred and correspondingly, the carrying amount of those parts that are replaced is derecognised.

Certain items of plant and equipment require the performance of regular major inspections for faults regardless of whether parts of the item are replaced. When each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement and any remaining carrying amount of the cost of the previous inspection is derecognised. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed. Where necessary, the estimated cost of a future similar inspection is be used as an indication of what the cost of the existing inspection component was when the item was acquired or constructed.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

Depreciation on property, plant and equipment is provided based on the straight line method over the economic useful life of assets as estimated by the management, on a *pro-rata* basis. The economic useful lives estimated by the management for depreciation of the assets are as under:

Asset	*Estimated useful life in years*
Building	30
Plant and Machinery	4 – 30
Furniture and Fixtures	16
Office Equipment	10
Vehicles	11

The useful life of property, plant and equipment is reviewed annually and, wherever change is made to the estimates of useful life of an asset, the depreciation charge is adjusted prospectively.

g) ***Borrowing costs***

Borrowing costs, other than borrowing cost directly attributable to the acquisition or construction of property, plant and equipment, are recognized in the income statement in the period in which they are incurred, the amount being determined using the effective interest rate method. Transaction cost incurred on raising long term borrowings are deferred in the year of payment and are amortised over the contractual terms of the debt using the effective interest method.

Borrowing cost, including amortisation of transaction cost directly attributable to the acquisition or construction of qualifying property, plant and equipment are capitalised as part of the cost of asset when it is probable they will result in future economic benefit and the cost can be measured reliably.

h) ***Impairment testing of property, plant and equipment***

OPGE's property, plant and equipment are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. The impairment loss is charged *pro rata* to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimate used to determined the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i) ***Revenue recognition***

Revenue is recognised when significant risks and rewards are transferred to the customer provided the revenue can be measured reliably and is probable that the economic benefits associated with sale will flow to OPGE. OPGE invoices clients in accordance with the agreed rates and billing arrangements.

Significant risks and rewards are transferred to the customer when the electricity generated is transmitted to the power grid lines. The revenue in excess of amount billed is recognised and disclosed as Accrued income under Other current assets

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable. Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

j) ***Employee benefits***

Short term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of the past service of the employee and the obligation can be estimated reliably.

OPGE does not operate or make any contributions to any defined benefit or contribution plans.

k) ***Finance income and expenses***

Finance income comprise interest income on fund invested (included available for sale financial assets). Interest income is recognised as it accrues. Finance expense comprise interest expenses on borrowings and dividend on preference share classified as liabilities.

l) ***Other income***

Other income comprises of dividend income and gains on the disposal of available for sale financial assets. Dividend is recognised when the company's right to receive payment is established, which in the case of quoted securities is the ex-divided date.

m) ***Inventories***

Stores and spares are valued at lower of cost or net realizable value on first in first out basis. The cost includes duties and taxes (other than those subsequently recoverable from taxing authorities), freight inward, handling and other costs directly attributable to the acquisition.

n) ***Leasing activities***

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lessee

Assets held under finance leases are recognised as assets of OPGE at their fair value or present value of minimum lease payments if lower at the date of acquisition. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

o) ***Accounting for income taxes***

Current income tax liabilities comprise those obligations to fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the historical financial information with their respective tax bases.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

p) ***Other provisions and contingent liabilities***

Other provisions are recognised when present obligations will probably lead to an outflow of economic resources from OPGE and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the balance sheet.

q) ***Segmental information***

Based upon the risks and returns of the Group the directors consider the primary reporting format is by business segment. The directors consider that there is only one business segment being the generation and distribution of electricity to customers.

The secondary reporting format is by geographical analysis. Based upon the risks and returns of the OPG Group the directors consider that there is only one geographical segment being India. All external revenues are earned from customers in India and it is India as a whole that dictates the level of geographical risk and return facing the OPG Group.

The disclosures for both the primary and secondary segment have been given in the consolidated income statement and consolidated balance sheet. This analysis is consistent with how management reports information internally for the purpose of evaluating the Group's performance and for making decisions about future allocations of resources.

2) Standards and interpretations not yet applied

The following standards, which are yet to become mandatory, have not been applied in the preparation of OPGE's historical financial information.

Standard		*Effective for in reporting periods starting on or after*
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2008
IFRIC 13	Customer Loyalty Programmes	1 July 2008
IFRIC 12	Service Concession Arrangements	1 January 2008
IFRIC 11	IFRS 2 Group and Treasury Share Transactions	1 March 2007
IAS 1	Presentation of Financial Statements (revised 2007)	1 January 2009
IAS 23	Borrowing Costs (revised 2007)	1 January 2009
IAS 27	Consolidated and Separate Financial Statements (revised 2008)	1 July 2009
IFRS 3	Business Combinations (revised 2008)	1 July 2009
IFRS 7	Financial Instruments: Disclosures	1 January 2007
IFRS 8	Operating Segments	1 January 2008

Based on OPGE's current business model and accounting policies, management does not expect material impacts on its historical financial information when the Standards become effective.

OPGE does not intend to apply any of these pronouncements early.

3) Inventories

Inventories comprise the following:

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Stores and spares	48,856	89,213	137,295
Total	48,856	89,213	137,295

Amount charged to cost of power generation include the following:

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Stores and spares	18,802	206,156	135,365
Write – down of inventory	—	—	—
Total	18,802	206,156	135,365

4) Trade receivables

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Trade receivables	1,022,703	1,957,808	313,237
Total	1,022,703	1,957,808	313,237

Trade receivable from non related parties are usually due with in 7 days. The credit period for related parties ranges between 120 and 180 days and the balances are not interest bearing. All accounts receivables are subject to credit risk exposure.

5) Cash and cash equivalents

Cash and cash equivalents comprise the following:

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Cash in hand	56	4,289	14,620
Balances with banks in current account	9,987	666,510	97,378
Total	10,043	670,799	111,998

6) Investments held for trading

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Investment in equity shares	—	237,582	282,043
Total	—	237,582	282,043

Investment held for trading comprise of equity shares of companies, listed on recognised stock exchanges in India.

7) Advances to related parties

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Share application money pending allotment	—	3,940,902	13,213,049
Advances	2,159,386	981,177	1,213,120
Total	2,159,386	4,922,079	14,426,169

OPGE has advanced certain amounts as application money towards issue of shares in OPG Power Maharashtra Private Limited and OPG Industries Limited. Advances paid in 31 March 2005 were converted to share application money on 31 March 2006. These advances are repayable on demand.

8) Other current assets

Other current assets comprise the following:

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Accrued income	246,770	252,022	236,030
Prepaid expense	61,169	55,902	38,493
Interest accrued	—	454	6,071
Other receivables	879	1,382	1,431
Deposits and advances receivable	238,606	242,485	128,831
Total	547,424	552,245	410,856

The billing period of OPGE is between 23rd of each month and 22nd of the subsequent month. Accrued income represents the last week's electricity transmitted to the grid lines but not yet billed to the customers. The said amount is billed to the customers in the subsequent month billing cycle.

9) Property, plant and equipment

Particulars	*Land*	*Building*	*Plant and machinery*	*Furniture and fixtures*	*Office equipment*	*Vehicles*	*Total*
	$	*$*	*$*	*$*	*$*	*$*	*$*
Gross Block							
As of 1 April 2004	246,199	1,014,331	9,491,769	5,779	8,106	41,031	10,807,215
Additions during the year	—	705,780	29,323	673	3,995	—	739,771
Disposals during the year	—	—	—	—	—	(9,249)	(9,249)
Translation adjustment	1,883	7,760	72,613	44	62	314	82,676
As of 31 March 2005	248,082	1,727,871	9,593,705	6,496	12,163	32,096	11,620,413
As of 1 April 2005	248,082	1,727,871	9,593,705	6,496	12,163	32,096	11,620,413
Additions during the year	—	20,141	672	—	13,047	—	33,860
Translation adjustment	(4,602)	(32,050)	(177,951)	(120)	(226)	(595)	(215,544)
As of 31 March 2006	243,480	1,715,962	9,416,426	6,376	24,984	31,501	11,438,729
As of 1 April 2006	243,480	1,715,962	9,416,426	6,376	24,984	31,501	11,438,729
Additions during the year	—	—	—	—	6,029	—	6,029
Disposals during the year	—	—	—	—	—	(4,259)	(4,259)
Translation adjustment	6,591	46,448	254,888	173	676	853	309,629
As of 31 March 2007	250,071	1,762,410	9,671,314	6,549	31,689	28,095	11,750,128
Accumulated Depreciation							
As of 1 April 2004	—	—	26,847	17	39	182	27,085
Depreciation during the year	—	46,685	599,383	389	1,038	2,258	649,753
Translation adjustment	—	1,229	15,983	10	28	59	17,309
As of 31 March 2005	—	47,914	642,213	416	1,105	2,499	694,147
As of 1 April 2005	—	47,914	642,213	416	1,105	2,499	694,147
Depreciation during the year	—	57,767	609,063	407	1,881	3,015	672,133
Translation adjustment	—	(1,317)	(16,421)	(11)	(34)	(70)	(17,853)
As of 31 March 2006	—	104,364	1,234,855	812	2,952	5,444	1,348,427
As of 1 April 2006	—	104,364	1,234,855	812	2,952	5,444	1,348,427
Depreciation during the year	—	56,559	596,060	398	2,597	2,328	657,942
Translation adjustment	—	5,184	58,290	39	188	244	63,945
As of 31 March 2007	—	166,107	1,889,205	1,249	5,737	8,016	2,070,314
Net book value							
As of 31 March 2005	248,082	1,679,957	8,951,492	6,080	11,058	29,597	10,926,266
As of 31 March 2006	243,480	1,611,598	8,181,571	5,564	22,032	26,057	10,090,302
As of 31 March 2007	250,071	1,596,303	7,782,109	5,300	25,952	20,079	9,679,814

10) Capital advances

Capital advances comprises of the following:

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Opening balances	127,841	85,416	—
Capitalised during the year	(42,425)	(85,416)	—
Total	85,416	—	—

Capital advances represent advances paid for purchase of property, plant and equipment which have not been received as at the balance sheet date.

11) Available for sale investments

Available for sale investments of the following:

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Investment in mutual funds	603	162,115	126,491
Total	603	162,115	126,491

12) Trade and other payable

Accounts payable comprises of the following:

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Trade payables	115,009	301,144	131,234
Creditors for capital goods	212,595	50,230	45,516
Total	327,604	351,374	176,750

13) Taxes

Taxes for the year comprise the following:

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Current tax expense	405,809	439,179	601,054
Deferred income tax	94,325	88,222	85,163
Total	500,134	527,401	686,217

A substantial portion of the profits of OPGE are exempt from Indian income taxes, being profits attributable to generation of power. Under the tax holiday, OPGE can utilize an exemption from income taxes for a period of 10 years commencing from the initial assessment year and ending in March 2014.

However OPGE is subject to the provisions of Minimum Alternate Tax ('MAT') under the Indian Income Tax for the year ended 31 March 2005, 31 March 2006 and 31 March 2007. According to the Indian Income Tax, where the tax liability of a company is less than 10 per cent. of the book profit (excluding surcharge and education cess), such book profit shall be deemed to be the taxable income and chargeable to tax at the rate of 10 per cent. plus applicable surcharge and education cess. OPGE can avail credit of the MAT paid for the year ended 31 March 2006 and 31 March 2007 against future tax liabilities and can carry forward and set off with in seven years from the end of the financial year in which MAT is paid.

The relationship between the expected tax expense based on the applicable tax rate of OPGE and tax expense actually recognized in the income statement can be reconciled as follows:

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
Effective tax rate	31.37%	33.66%	33.66%
Expected tax expense at prevailing rate ($)	1,613,838	1,885,408	1,825,395
Other adjustments			
Exempt income ($)	(1,533,257)	(1,801,332)	(1,741,012)
Impact due to application of MAT ($)	403,460	471,352	608,465
Others ($)	16,093	(28,027)	(6,631)
Total tax expense	500,134	527,401	686,217

The tax effect of significant temporary differences that resulted in deferred income tax liability and a description of the item that create those differences are given below:

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Deferred income tax liability – Non current			
Difference in depreciation on property, plant and equipment	225,208	304,976	404,084
Unrealised gain on available for sale investments	—	6,710	2,811
Deferred income tax liability	225,208	311,686	406,895

14) Other Liabilities

Other liabilities comprises of the following:

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Statutory liabilities	129,280	433,625	720,080
Prepaid capital contribution	470,427	—	—
Total	599,707	433,625	720,080

Statutory liability mainly comprises of Generation tax payable to 'TNEB' based on estimates made by management. The prepaid capital contributions consists of advances received as share application money which have been repaid during the year ended 31 March 2006.

15) Borrowings

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Term loans from banks	5,403,106	4,770,713	8,412,764
Less: Current portion of long term debt	538,936	1,057,879	1,897,519
Non current portion of long term debt	4,864,170	3,712,834	6,515,245

The fair value of long term debt is estimated by the management to be approximate its carrying value, since the average interest rate on such debt is within the range of current interest rates prevailing in the market.

OPGE had an outstanding term loan with State Bank of India, London as of 31 March 2005, State Bank of Indore as of 31 March 2006 and State Bank of Indore and Punjab National Bank as of 31 March 2007. The term loans with banks are secured by

Year ended	*Name of the Bank*	*Collateral*	*Guarantee*	*Interest rate*
31 March 2005	State Bank of India, London	Letter of credit provided by State Bank of India.	—	Libor + 100 BP
31 March 2006	State Bank of Indore	First charge on the fixed assets and current assets	Personal guarantee of Directors	PLR less 3.75% subject to a minimum of 7%
31 March 2007	State Bank of Indore	First charge on the current assets and second charge on fixed assets	Personal guarantee of Directors	PLR less 3.75% subject to a minimum of 7%
31 March 2007	Punjab National Bank	First Charge on the fixed assets and second charge on current assets	Personal Guarantee of Arvind Gupta (Managing Director)	PLR less 2.25% plus term premia 0.5% subject to a minimum of 9%

The Interest rate as on 31 March 2007 for State Bank of Indore, and Punjab National Bank are 11 per cent. and 11.25 per cent. respectively.

The maturity profile of long term debt outstanding as of 31 March 2007 is given below:

Year ending 31 March	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
2006	642,002	—	—
2007	1,077,872	1,086,079	—
2008	1,077,872	1,057,879	1,930,557
2009	1,077,872	1,057,879	2,007,288
2010	1,077,872	1,057,089	2,007,288
2011	449,616	510,997	1,464,031
2012	—	—	920,774
2013	—	—	82,826
Total	5,403,106	4,770,713	8,412,764

16) Shareholders' Equity

a. ***Share capital***

The authorised share capital of OPGE is Rs 190,000,000 divided into 7,000,000 equity shares of Rs 10 each and 360,000 Part-A preference shares of Rs 100 each and 840,000 Part-B preference shares of Rs 100 each.

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
Allotted, called up and fully paid			
6,666,400 Ordinary shares	1,399,035	1,399,035	1,399,035
Total	1,399,035	1,399,035	1,399,035

OPGE presently has only one class of ordinary shares. For all matters submitted to vote in the shareholders meeting, every holder of ordinary shares, as reflected in the records of OPGE on the date of the shareholders' meeting, has one vote in respect of each share held. All shares are equally eligible to receive dividends and the repayment of capital in the event of liquidation of OPGE.

According to the Captive Power Policy of 'TNEB', customers of OPGE, who have agreed to share the power generated, are required to have nominal shareholding in OPGE.

b. ***Capital redemption reserve***

Indian statutes mandate that a company can redeem preference shares either out of the proceeds of a fresh issue of shares or out of the profits of OPGE which would otherwise be available for dividend. Where shares are redeemed out of the profits of OPGE, an amount equal to nominal amount of the shares redeemed shall be transferred to capital redemption reserve account. The capital redemption reserve account shall be applied by OPGE in paying up unissued shares of OPGE to be issued to members of OPGE as fully paid bonus shares.

Accordingly the capital redemption reserve represents the transfer of nominal amount of the preference shares redeemed out of the accumulated earnings.

c. ***Revaluation reserve***

The revaluation reserve comprises gains and losses due to the revaluation of investments classified as available for sale.

d. ***Retained earnings***

Retained earnings include all current and prior period results as disclosed in the income statement.

17) Redeemable preference shares

OPGE issued two classes of preference shares – Part-A and Part-B

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Part A – Preference shares	1,270,914	806,856	—
Part B – Preference shares	1,129,470	1,274,163	—
Total	2,400,384	2,081,019	—

a. ***Part-A Preference Shares***

OPGE along with Kanishk Steel Industries Limited and Wartsila India Limited entered into a share subscription and shareholders agreement ('agreement') to issue 360,000 Part-A preference shares to Wartsila India Limited. These are cumulative convertible redeemable preference shares.

Kanishk Steel Industries Limited is a company existing under the laws of India that floated OPG Energy Private Limited as a special purpose company.

a) *Returns*

They shall carry a coupon rate of dividend of 13 per cent. per annum with effect from the date which is earlier of the Commercial Operation Date or eighteen months from the date of subscription of shares.

b) *Redemption*

They shall be redeemed within a period of ten years from the date of subscription and allotment by OPGE. However, OPGE shall, subject to the approval of the lenders, if required, have the option to redeem the shares, either in part or in whole, prior to the date of redemption. Provided further that two full fiscal years after the commercial operation date, in the event OPGE has sufficient profits and liquid funds and the approval of the lenders if required. Wartsila shall have the option to call upon OPGE to redeem the shares, either in part or in whole, in which event OPGE shall be obliged to redeem the shares within a period of sixty days from the date of receipt of notice from Wartsila in this regard. Wartsila had excised the option to redeem these shares during the year ended 31 March 2006.

Notwithstanding anything to the contrary, the shares shall be redeemed prior to the redemption of any class of preference shares issued or henceforth that may be issued by OPGE.

c) *Winding up*

They shall carry a preferential right of repayment over all classes of shares of OPGE as well as any other class of shares that may be issued in future. Such preferential right shall be in respect of payment of the amount of paid-up including dividend not paid for any year due to inadequacy of profit or otherwise.

b. ***Part-B Preference Shares***

a) *Returns*

They shall carry a coupon rate of dividend of 13 per cent. per annum with effect from the date which is earlier of the Commercial Operation Date or eighteen months from the date of subscription of shares.

b) *Redemption*

They shall be redeemed within a period of ten years from the date of subscription and allotment by OPGE. However, the Part-B preference shares shall be redeemed only on redemption of Part-A preference shares.

c) *Winding up*

They shall carry a preferential right of repayment over all classes of shares of OPGE as well as any other class of shares that may be issued in future except Part-A preference shares. Such preferential right shall be in respect of payment of the amount of paid-up including dividend not paid for any year due to inadequacy of profit or otherwise.

OPGE in its Extra ordinary General Meeting held on February 1, 2006 amended the Articles of Association to provide for non provision of interest on preference capital for both class of preference shares. Accordingly, no interest on preference capital is provided and the provision of earlier years is reversed and is disclosed under Other Income for the year ended 31 March 2006. The variation in rights has not resulted in substantial modification of the terms. Accordingly no adjustment is made to the existing liability. Both the class of preference shares were redeemed during the year ended 31 March 2007.

18) Cost of power generation

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Consumption of gas	2,167,520	2,459,391	2,482,259
Transmission charges	213,119	216,729	255,768
Generation tax	254,327	304,534	268,576
Other costs	362,513	437,633	388,096
Movement in spares:			
– opening stock	—	48,856	89,213
– closing stock	(48,856)	(89,213)	(137,294)
Total	2,948,623	3,377,930	3,346,618

19) Employee costs

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Salaries, wages and bonus	44,313	35,514	34,718
Welfare expenses	6,808	2,082	2,744
Total	51,121	37,596	37,462

20) Other income

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Other Income			
Dividend	51	20	10,076
Profit on sale of shares	—	3,303	35,851
Foreign exchange gain/(loss)	—	11,295	—
Total	51	14,618	45,927

21) Finance income

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Interest Income	118,031	175,080	119,013
Reversal of Interest on Preference Shares	—	506,595	—
Profit on mapping to market	—	32,541	(18,289)
Total	118,031	714,216	100,724

22) Finance costs

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Interest on term loan	206,239	292,184	415,941
Interest on preference shares	268,575	229,703	—
Others	31,113	20,089	22,862
Total	505,927	541,976	438,803

23) Related Party Transactions

Related parties with whom OPGE has transacted during the year

Key Management Personnel
Mr. Arvind Gupta
Mr. Ravi Gupta
Mr. Rajesh Gupta

Enterprises over which significant influence exercised by key management personnel/ directors
Delhi Steel Tubes Industries Limited
OPG Industries Limited
OPG Power Generation Private Limited
OPG Power Gujarat Private Limited
OPG Wind farms Private Limited
OPG Power Maharashtra Private Limited
OPG Industries Limited
OPG Renewable Energy Private Limited
TamilNadu Property Developers Limited (TNDPL)
Salem Food Products Limited
Triveni Steel Private Limited
Tamilnadu Enterprises and Investments Limited

Companies which have significant shareholding
Kanishk Steel Industries Limited
OPG Metals Private Limited

Summary of transactions with related parties during the year

Nature of transaction	*Year ended 31 March 2005 $*	*Year ended 31 March 2006 $*	*Year ended 31 March 2007 $*
Transaction with Key Management Personnel			
Remuneration	18,579	18,967	18,562
Amount payable at the year end	—	—	—
Transactions with enterprises over which significant influence exercised by key management personnel/ directors.			
Sale of power	1,458,724	1,489,156	1,022,520
Interest income	117,945	135,401	112,173
Loan provided	1,649,533	1,528,061	5,224,868
Reimbursement of Expenses	103,688	—	—
Amount receivable at the year end	1,833,248	3,139,615	7,995,428
Transaction with companies which have significant shareholding in the company			
Sale of power	512,154	4,050,494	5,825,802
Repayment of preference capital	—	—	598,503
Loan provided	1,011,441	2,299,987	3,468,816
Reimbursement of Expenses	3,871,066	969,413	650,139
Amount receivable at the year end	740,428	3,541,815	6,103,910

The following transaction has been entered into with related parties at no cost basis

1. Rent of administrative office building for years ended 31 March 2005, 31 March 2006 and 31 March 2007 from relative of Arvind Gupta.

   OPGE had availed concessional customs duty for import of capital equipment under the EPCG scheme. Accordingly, OPGE has an export obligation for US$ 7,963,973. The export obligation is met out by Kanishk and other JV Partners on behalf of OPGE within 8 years from 3 November 2003. The customs duty saved amounts to US$ 1,062,142. OPGE had paid US$ 889,497, out of the customs duty saved, to Kanishk as compensation for the export obligation to be met out by them, which has been added to the cost of property, plant and equipment. The export obligation met by Kanishk as of 31 March 2007 is $3,033,164.

24) Earnings Per Share

Calculation of basic and diluted EPS is as follows:

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Profit attributable to shareholders of OPG for basic and dilutive	4,645,213	5,073,931	4,736,821
Weighted average numbers of shares outstanding during the year for Basic	6,666,400	6,666,400	6,666,400
Basic EPS ($)	0.70	0.76	0.71

25) Operating lease

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Less than one year	223,796	269,430	253,132
Between one and five years	1,062,000	1,077,718	1,012,528
More than five years	531,000	538,859	506,264
Total	1,816,796	1,886,007	1,771,924

OPGE pays a fixed transmission charges for the gas pipelines which have been installed by the gas supplier. These have been charged to the income statements over a straight line basis under cost of power generation.

OPGE does not act as a lessor.

26) Commitments and Contingencies

Particulars	*31 March 2005*	*31 March 2006*	*31 March 2007*
	$	*$*	*$*
Counter guarantees given to bankers against guarantees issued by them	—	196,445	192,249
Letters of Credit issued by Bankers	5,513,992	130,512	122,862

27) Financial instruments

Financial assets comprise trade receivables from the generation and distribution of power. Other current assets include accrued income, prepayments, accrued interest and deposits and advances receivables.

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

Bank balances and cash comprise cash and short-term deposits held by the OPGE treasury function. The carrying amount of these assets approximates their fair value.

Available for sale and held for trading investments comprise of investments in reputed mutual funds and shares of companies of repute, where the carrying value represents fair value.

Principal financial liabilities comprise borrowings and trade and other payables. After initial recognition liabilities are presented at amortised cost.

Credit risk

OPGE's credit risk is primarily attributable to its advance and trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by OPGE's management based on prior experience and the current economic environment.

OPGE has significant concentration of advances to its related parties but does not envisage any credit risk from these parties.

Liquidity risk

Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

28) Risk management objectives and policies

OPGE is exposed to a variety of financial risks, which result from both its operating and investing activities. OPGE's risk management is coordinated in close co-operation with the board of directors, and focuses on actively securing OPGE's short to medium term cash flows by minimising the exposure to financial markets.

OPGE does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Financial assets that potentially subject OPGE to concentrations of credit risk consist principally of cash equivalents, financial assets, trade receivables, other receivables, investment securities and deposits. By their nature, all such financial instruments involve risk including the credit risk of non-performance by counter parties. OPGE's cash equivalents and time deposits are invested with banks.

OPGE monitors the credit worthiness of its customers to which it grants credit terms in the normal course of the business. OPGE's trade and other receivables are actively monitored to avoid significant concentrations of credit risk.

OPGE's interest-rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose OPGE to cash flow interest-rate risk.

29) Subsequent Events

i OPGE held an Extraordinary General Meeting dated 15 December 2007 amended its articles of association. The key terms of these amendments are as follows:

- A sum of US$15,071,950 is to be appropriated out of its accumulated profits as on 30.09.2007 into a Special Reserve A Account. A further sum not exceeding US$1,436,825 shall be appropriated out of the distributable profits for the financial year 2007 – 08 to the said Special Reserve A Account. The Special Reserve A Account is earmarked for the sole and exclusive benefit of the Equity Shareholders holding Equity Shares with Distinctive Nos. 1 – 6696404.
- Capital Redemption Reserve of US$2,136,196 as on 31 March 2007 is also earmarked for the sole and exclusive benefit of the Equity Shareholders holding Equity Shares with Distinctive Nos. 1 – 6696404.
- OPGE has invested (as share application money towards issue of shares) a sum of US$15,071,950 in OPG Power Maharashtra Private Limited. Any incomes, profits, losses, costs, in relation to such investment whether by way of dividends, profits/losses on sale of such investments, accretion/diminution in value of such investments, shall be appropriated to such Special Reserve A Account.
- OPGE shall apply the Special Reserve A Account and Capital Redemption Reserve Account for declaration of dividend or for reduction of capital or in a scheme of arrangement and for distribution of investments on or before 31 March 2012, and for the payment of any taxes that may arise on account of such distribution or payment of dividend.
- OPGE retains the contractual rights to receive the cash flows from the investment in OPG Power Maharashtra Private Limited, but assumes a contractual obligation to pay the cash flows to the Equity Shareholders holding Equity Shares with Distinctive Nos. 1 – 6696404.

- OPGE has no obligation to pay amounts to the Equity Shareholders holding Equity Shares with Distinctive Nos. 1 – 6696404 unless it collects equivalent amount from the investment made in OPG Power Maharashtra Private Limited whether by way of dividends, profits/losses on sale of such investments, accretion/diminution in value of such investments. It is prohibited from selling or pledging the investment in OPG Power Maharashtra Private Limited other than as security to the Equity Shareholders holding Equity Shares with Distinctive Nos. 1 – 6696404 for the obligation to pay them cash flows. Also it has an obligation to remit any cash flows it collects on behalf of the Equity Shareholders holding Equity Shares with Distinctive Nos. 1 – 6696404 without material delay. In addition, OPGE is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

  As a result of above amendment to the Articles, OPGE will create a liability in respect of the amount appropriated to Special A Reserve as it represents a contractual obligation to deliver cash or another financial asset to another entity. Furthermore, OPGE will offset the investment in OPG Maharashtra against the liability representing this special reserve, subject to these assets and liabilities meeting the criteria for offsetting at the next balance sheet date.

ii OPGE acquired the 1.4 MW waste heat recovery plant from OPG Metals on 15 December 2007 for a total consideration of $ 2,574,090. The said consideration is partly paid by way of setting off of the accounts receivable from OPG Metals Private Limited and balance paid through cash.

iii Since the balance sheet date, the share capital has been re-organised into Class A shares (entitled to 0.5 per cent. of economic rights), Class B shares (entitled to 99 per cent. economic rights) and Class C shares (entitled to 0.5 per cent. economic rights). All shares at the balance sheet date have been re-designated as Class C shares. All A and B shares carry voting rights.

200,000 Class A shares have been issued at par (Rs 10 per share) and 400,000 Class B shares have been issued at par (Rs 10 per share).

PART IV D

ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION ON OPG ENERGY PRIVATE LIMITED FOR THE THREE YEARS ENDED 31 MARCH 2007

Grant Thornton UK LLP
Grant Thornton House
Melton Street
LONDON
NW1 2EP

OPG Power Ventures Plc
22 Athol Street
Douglas
Isle of Man
IM1 1JA

23 May 2008

Dear Sirs

OPG ENERGY PRIVATE LIMITED ('OPGE')

We report on the historical financial information set out in Part IV C. This historical financial information has been prepared for inclusion in the AIM admission document dated 23 May 2008 of OPG Power Ventures Plc (the "Admission Document") on the basis of preparation set out in note 2 and in accordance with the accounting policies set out in note 1 of Part IV C on pages 38 to 42. This report is required by Schedule Two of the AIM Rules and is given for the purpose of complying with that Schedule and for no other purpose.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report.

Responsibilities

The Directors of OPG Power Ventures Plc are responsible for preparing the historical financial information on the basis of preparation set out in note 2 to the historical financial information on page 33 and in accordance with the accounting policies set out in note 1 on pages 38 to 42.

It is our responsibility to form an opinion as to whether the historical financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the historical financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the historical financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the historical financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the historical financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of OPGE as at the date stated and of its results and cash flows for the period then ended in accordance with the basis of preparation set out in note 2 on page 33 and in accordance with the accounting policies as described in note 9 on pages 38 to 42.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

GRANT THORNTON UK LLP

PART IV E

HISTORICAL FINANCIAL INFORMATION ON OPG POWER GENERATION PRIVATE LIMITED FOR THE TWO YEARS ENDED 31 MARCH 2007

1. Introduction

OPG Power Generation Private Limited ("OPGPG") was incorporated on 21 February 2005 in India with registered number U40109 TN2005 PTC 055442. The registered office of OPGPG is 26, K B Dasan Road, Teynampet, Chennai – 600 018, India.

OPGPG has been set up to carry out the business of generation and transmission of electricity. The proposed power plant would be coal based and is currently under construction Gummidipundi, near Chennai, Tamil Nadu, India.

2. Basis of preparation

The historical financial information has been prepared for the purposes of the admission document in accordance with the Listing Rules and the admission rule of the Financial Services Authority (the "Admission Document"),

The historical financial information is prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted for the use in the European Union (EU) ("Adopted IFRSs") except in respect of the following:

- the historical financial information does not constitute a set of general purpose financial statements under paragraph 3 of IAS 1 – 'Presentation of Financial Statements' and consequently the Group does not make an explicit and unreserved statement of compliance with IFRS as contemplated by paragraph 14 of IAS 1. A company is only permitted to apply the first-time adoption rules of IFRS 1 – 'First-time Adoption of International Financial Reporting Standards' in its first set of financial statements where such an unreserved statement of compliance has been made. Although such a statement has not been made here, the historical financial information has been prepared as if the date of transition to IFRS was 1 April 2005, the beginning of the first period presented, and the requirements of IFRS 1 have been applied since that date.
- OPGPG's deemed transition date to IFRS is 1 April 2005. The rules for the first-time adoption of IFRS are set out in IFRS 1. In preparing subsequent consolidated financial statements in accordance with IFRS, the date of transition, as determined in accordance with IFRS 1, will not be 1 April 2005 and therefore the first-time adoption rules will be applied at a date other than 1 April 2005 with consequential impact on the opening IFRS balance sheet.

The historical financial information has been presented for the two years ended 31 March 2007. OPGPG was incorporated on 21 February 2005 and did not have any activities from 21 February 2005 to 31 March 2005.

3. Responsibility

The Directors of OPG Power Ventures Plc are responsible for the historical financial information on OPGPG and the contents of the AIM Admission Document in which it is included.

4. Balance Sheet

	Note	As of 31 March 2006 $	As of 31 March 2007 $
ASSETS			
Current			
Cash and cash equivalents	10	233,089	272,729
Other current assets	11	11,027	12,246
Total current assets		244,116	284,975
Non current			
Property, plant and equipment, net	12	—	31,514
Prepaid Rent		—	1,870,343
Lease deposit		—	86,366
Capital advance	13	3,349	4,374,852
Total non current assets		3,349	6,363,075
Total assets		247,465	6,648,050
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Other liabilities	14	330,916	7,111,214
Total current liabilities		330,916	7,111,214
Total liabilities		330,916	7,111,214
Shareholders' equity	15		
Share capital		2,241	2,241
Translation Reserve		639	(16,736)
Retained earnings		(86,331)	(448,669)
Total stockholders' equity		(83,451)	(463,164)
Total liabilities and shareholders' equity		247,465	6,648,050

5. Income Statement

	Note	Year ended 31 March 2006 $	Year ended 31 March 2007 $
EXPENSES			
Employee costs		(27,096)	(45,543)
Other expenses	16	(59,235)	(322,232)
Total expenses		(86,331)	(367,775)
Operating result		(86,331)	(367,775)
Other income		—	5,437
Loss from continuing operations before tax		(86,331)	(362,338)
Income Tax		—	—
Loss from continuing operations		(86,331)	(362,338)
Loss attributable to shareholders of OPG Power Generation Private Limited		(86,331)	(362,338)
Earnings per share			
Basic and Diluted ($)		(8.63)	(36.23)

6. Statement of Changes in Shareholders' Equity

	Share Capital – Amount *$*	*Translation Reserve* *$*	*Retained earnings* *$*	*Total shareholders' equity* *$*
Balance as at 1 April 2005	2,241	—	—	2,241
Translation adjustment	—	639	—	639
Income recognized directly in equity	—	639	—	639
Loss for the year	—	—	(86,331)	(86,331)
Total income and expense recognized for the year	—	639	(86,331)	(85,692)
Balance as at 31 March 2006	2,241	639	(86,331)	(83,451)
Balance as at 1 April 2006	2,241	639	(86,331)	(83,451)
Translation adjustment	—	(17,375)	—	(17,375)
Expense recognized directly in equity	—	(17,375)	—	(17,375)
Loss for the year	—	—	(362,338)	(362,338)
Total income and expense recognized for the year	—	(17,375)	(362,338)	(379,713)
Balance as at 31 March 2007	2,241	(16,736)	(448,669)	(463,164)

7. Statement of Cash Flows

	Year ended 31 March 2006 $	*Year ended 31 March 2007 $*
Cash flow from operating activities		
Loss before tax	(86,331)	(362,338)
Adjustments to reconcile net income before tax to net cash provided by operating activities		
Interest income	—	(4,995)
Deferred rent	—	34,766
Increase / (Decrease) in other current assets	(11,109)	(883)
Increase in other liabilities	9,508	9,990
Lease deposit	—	(1,908,124)
Net cash used in operating activities	(87,932)	(2,231,584)
Cash flow from investing activities		
Purchase of property, plant and equipment	(3,374)	(4,226,614)
Net cash used in investing activities	(3,374)	(4,226,614)
Cash flow from financing activities		
Proceeds from share capital	2,258	—
Prepaid capital contributions	323,877	6,490,195
Net cash provided by financing activities	326,135	6,490,195
Effects of exchange rate changes on cash	(1,740)	7,643
Cash and cash equivalents at the beginning of the year	—	233,089
Cash and cash equivalents at the end of the year	233,089	272,729
Cash and cash equivalents comprise		
Cash in hand	1,609	60,195
Balance with banks	231,480	212,534
	233,089	272,729

8. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) *Basis of measurements*

The historical financial information has been prepared on historical cost basis in accordance with the accounting and reporting requirements of IFRS.

b) *Functional and presentation currency*

The functional currency of OPGPG is the Indian Rupee ('INR' or 'Rs.'), the currency of the primary economic environment in which it operates. The presentation currency of OPGPG is the US Dollar ('US$').

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of remaining balances at year-end exchange rates are recognised in the income statement under "other income" or "other expenses", respectively.

The historical financial information is reported in a currency different from OPGPG's functional currency, Assets and liabilities have been translated into US$ at the closing rate at the balance sheet date. Income, expenses and cash flows have been converted at the average rates over the reporting period. The resulting translation adjustments are recorded under the currency translation reserve in equity.

The following rates have been used for conversion of INR to USD:

	Year end rate	*Average rate*
2005	43.79	—
2006	44.62	44.29
2007	43.44	45.25

c) *Use of Estimates*

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- utilisation of tax losses
- accounting for an arrangement containing a lease
- fair value of lease deposits
- provision and contingencies

8.1 ***Property, Plant and Equipment***

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation. Direct costs are capitalised until the assets are ready for use and include inward freight, duties, taxes and expenses incidental to acquisition and installation.

Depreciation on property, plant and equipment shall be charged on straight line method over the economic useful life of assets as estimated by the management, on a *pro-rata* basis. The management shall estimate the useful life of assets on commencement of operations.

8.2 ***Financial Assets***

OPGPE's financial assets include cash and financial instruments. Financial assets consists of Deposits and advances receivable in cash and kind.

Deposits and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when OPGPG provides money, goods or services directly to a debtor with no intention of trading the receivables. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

8.3 ***Cash and Cash Equivalents***

Cash and cash equivalents include cash at bank and in hand.

8.4 ***Leasing Activities***

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lessee

Assets held under finance leases are recognized as assets of OPGPG at their fair value or present value of minimum lease payments if lower at the date of acquisition. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which

represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Asset provided under operating lease is recognized at cost of acquisition less accumulated depreciation.

8.5 ***Equity***

Share capital is determined using the nominal value of shares that have been issued.

Retained earnings include all current and prior period results as disclosed in the income statement.

8.6 ***Financial Liabilities***

OPGPG's financial liabilities include trade and other payables and borrowings, which are measured at amortised cost using effective interest rate method.

Financial liabilities are recognised when OPGPG becomes a party to the contractual agreements of the instrument. All interest related charges is recognised as an expense in "finance cost" in the income statement.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

8.7 ***Other Provisions and Contingent Liabilities***

Other provisions are recognised when present obligations will probably lead to an outflow of economic resources from OPGPG and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the balance sheet.

8.8 ***Segmental information***

Based upon the risks and returns of the Group the directors consider the primary reporting format is by business segment. The directors consider that there is only one business segment being the generation and distribution of electricity to customers.

The secondary reporting format is by geographical analysis. Based upon the risks and returns of the OPG Group the directors consider that there is only one geographical segment being India. All external revenues are earned from customers in India and it is India as a whole that dictates the level of geographical risk and return facing the OPG Group.

The disclosures for both the primary and secondary segment have been given in the consolidated income statement and consolidated balance sheet. This analysis is consistent with how management reports information internally for the purpose of evaluating the Group's performance and for making decisions about future allocations of resources.

9. Standards And Interpretations Not Yet Applied

The following standards, which are yet to become mandatory, have not been applied in the preparation of OPGPG's historical financial information.

Standard		*Effective for in reporting periods starting on or after*
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2008
IFRIC 13	Customer Loyalty Programmes	1 July 2008
IFRIC 12	Service Concession Arrangements	1 January 2008
IFRIC 11	IFRS 2 Group and Treasury Share Transactions	1 March 2007
IAS 1	Presentation of Financial Statements (revised 2007)	1 January 2009
IAS 23	Borrowing Costs (revised 2007)	1 January 2009
IAS 27	Consolidated and Separate Financial Statements (revised 2008)	1 July 2009
IFRS 3	Business Combinations (Revised 2008)	1 July 2009
IFRS 7	Financial Instruments: Disclosures	1 January 2007
IFRS 8	Operating Segments	1 January 2008

Based on OPGPG's current business model and accounting policies, management does not expect material impacts on its historical financial information when the Standards become effective.

OPGPG does not intend to apply any of these pronouncements early.

10. Cash and Cash Equivalents

Cash and cash equivalents comprise the following:

Particulars	*31 March 2006*	*31 March 2007*
	$	*$*
Cash in hand	1,609	60,195
Balances with banks in current account	231,480	212,534
Total	233,089	272,729

11. Other Current Assets

Other current assets comprise the following:

Particulars	*31 March 2006*	*31 March 2007*
	$	*$*
Deposits and Advances	11,027	12,246
Total	11,027	12,246

12. Property, Plant and Equipment, Net

	Land	*Office equipment*	*Total*
	$	*$*	*$*
Gross Block			
As of 1 April 2006	—	—	—
Additions during the year	30,644	870	31,514
As of 31 March 2007	30,644	870	31,514
Net Block			
As of 31 March 2006	—	—	—
As of 31 March 2007	30,644	870	31,514

There were no property, plant and equipment as at 31 March 2006.

OPGPG has not charged depreciation for the year ended 31 March 2007 and shall charge depreciation from the date the assets are ready for use.

13. Capital Advances

Capital advances comprises of the following:

Particulars	*31 March 2006*	*31 March 2007*
	$	*$*
Opening balances	—	3,349
Additions	3,349	4,371,412
Translation adjustment	—	91
Total	3,349	4,374,852

14. Other Liabilities

Other liabilities comprises of the following:

Particulars	*31 March 2006*	*31 March 2007*
	$	*$*
Statutory liabilities		
– Fringe benefit tax	3,382	13,263
– Tax deducted at source (Withholding taxes)	5,944	6,768
Prepaid capital contributions		
– Related Parties	321,478	5,328,981
– Others	—	1,762,133
Other liabilities	112	69
Total	330,916	7,111,214

15. Shareholders' Equity

15.1 ***Share capital***

The authorized share capital of OPGPG is Rs 1,000,000 divided into 50,000 equity shares of Rs 10 each and 50,000 preference shares of Rs 10 each.

Particulars	*31 March 2006*	*31 March 2007*
	$	*$*
Allotted, called up and fully paid		
10,000 Ordinary shares	2,241	2,241
Total	2,241	2,241

OPGPG presently has only one class of ordinary shares. For all matters submitted to vote in the shareholders meeting, every holder of ordinary shares, as reflected in the records of OPGPG on the date of the shareholders' meeting, has one vote in respect of each share held. All shares are equally eligible to receive dividends and the repayment of capital in the event of liquidation of OPGPG.

15.2 ***Retained earnings***

Retained earnings include all current and prior period results as disclosed in the income statement.

16. Other expenses

Particulars	*31 March 2006*	*31 March 2007*
	$	*$*
Travelling expenses	45,197	92,763
Professional & consultancy charges	5,603	88,739
Rent	—	34,766
Conveyance expense	2,241	15,088
Printing and stationery	—	11,951
Others	6,194	78,925
Total	59,235	322,232

17. Related Party Transactions

Related parties with whom OPGPG has transacted during the year

Key Management Personnel

Mr. Arvind Gupta
Mr. Rajesh Gupta
Mr. Rama Murthy

Enterprises over which significant influence is exercised by key management personnel/ directors of OPGPG

OPG Energy Private Ltd
OPG Industries Ltd
OPG Power Gujarat Private Ltd.
OPG Wind Farms Private Ltd.
OPG Renewable Energy Private Ltd
Tamilnadu Property Developers Limited

Summary of transactions with related parties during the year

Nature of transaction	*Year ended 31 March 2006*	*Year ended 31 March 2007*
	$	*$*
Transaction with Key Management Personnel		
Remuneration	27,095	19,335
Lease Deposit	—	1,108,634
Purchase of Land	—	29,127
Amount receivable at the year end	—	1,154,881
Amount Payable at the year end	26,895	13,812
Transactions with enterprises over which significant influence exercised by key management personnel/ directors of OPGPG		
Land Lease Deposit	—	799,490
Share application money received	98,078	5,101,363
Loans provided	—	—
Amount receivable at the year end	—	832,840
Amount payable at the year end	97,351	5,328,981

18. Operating Leases

During the year ended 31 March 2007, OPGPG entered a long term operating lease for the use of land. The lease expense recognised during the year is $34,766 and includes the unwinding of the discount on initial deposit paid to secure the leasehold rights. No lease expense has been recognised during the year ended 31 March 2006 as no lease had been entered into. The following are the estimated lease payments over the term of the lease:

Particulars	*31 March 2007*
	$
Less than one year	70,529
Between one and five years	282,117
More than five years	1,763,229
Total	2,115,875

19. Commitments And Contingencies

Particulars	*31 March 2006*	*31 March 2007*
	$	*$*
Estimated amount of contracts remaining to be executed on setting up power plant at Gummidipoondi, Tamil Nadu, India not provided for	54,474,019	55,140,567

20. Other Financial Assets

Other current assets include deposits and advances receivable in cash and kind. The directors consider that the carrying amount of other receivables approximates their fair value. Bank balances and cash comprise cash and current account deposits for treasury function.

Credit risk

The credit risk of OPGPG cannot be assessed at this point of time, since operations are not commenced.

Liquidity risk

The liquidity risk of OPGPG cannot be assessed at this point of time, since operations are not commenced.

21. Other Financial Liabilities

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs.

The directors consider that the carrying amount of trade payables approximates to their fair value.

22. Subsequent Events

Since the balance sheet date, the share capital has been re-organised into Class A shares (entitled to 1 per cent. of economic rights) and Class B shares (entitled to 99 per cent. economic rights). All shares carry voting rights. All shares at the balance sheet date have been re-designated as Class B shares.

3,850,000 Class A shares of Rs 10 have been issued part paid at Rs 0.10 per share. Details of Class B shares to be issued conditional upon Admission are disclosed in paragraph 5 of Part VII of this document.

PART IV F

ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION ON OPG POWER GENERATION PRIVATE LIMITED FOR THE TWO YEARS ENDED 31 MARCH 2007

Grant Thornton UK LLP
Grant Thornton House
Melton Street
LONDON
NW1 2EP

OPG Power Ventures Plc
22 Athol Street
Douglas
Isle of Man
IM1 1JA

23 May 2008

Dear Sirs

OPG POWER GENERATION PRIVATE LIMITED ("OPGPG")

We report on the historical financial information set out in Part IV E. This historical financial information has been prepared for inclusion in the AIM admission document dated 23 May 2008 of OPG Power Ventures Plc (the "Admission Document") on the basis of preparation set out in note 2 and in accordance with the accounting policies set out in note 9 of Part IV E on page 63. This report is required by Schedule Two of the AIM Rules and is given for the purpose of complying with that Schedule and for no other purpose.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report.

Responsibilities

The Directors of OPG Power Ventures Plc are responsible for preparing the historical financial information on the basis of preparation set out in note 2 to the historical financial information on page 57 and in accordance with the accounting policies set out in note 8 on pages 60 to 62.

It is our responsibility to form an opinion as to whether the historical financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the historical financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the historical financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the historical financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the historical financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of OPGPG as at the date stated and of its results and cash flows for the period then ended in accordance with the basis of preparation set out in note 2 on page 57 and in accordance with the accounting policies as described in note 8 on pages 60 to 62.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

GRANT THORNTON UK LLP

PART IV G

HISTORICAL FINANCIAL INFORMATION ON OPG RENEWABLE ENERGY PRIVATE LIMITED FOR THE PERIOD ENDED 31 MARCH 2007

1. Introduction

OPG Renewable Energy Private Limited ("OPGRE")was incorporated on 17 July 2006 in India with registered number U4010 TN 2006 PTC 060564. The registered office of OPGRE is 26, Mooker Nalla, Muthu Street, Chennai – 600 001, India.

OPGRE has been set up to carry out the business of generation and transmission of electricity from waste heat recovery power plant. The proposed power plant would under lease from Kanishk Steel Industries Limited and is currently under construction Gummidipundi, near Chennai, Tamil Nadu, India.

2. Basis of preparation

The historical financial information has been prepared for the purposes of the admission document in accordance with the Listing Rules and the admission rules of the Financial Services Authority (the "Admission Document"),

The historical financial information is prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted for the use in the European Union (EU) ("Adopted IFRSs") except in respect of the following:

- the historical financial information does not constitute a set of general purpose financial statements under paragraph 3 of IAS 1 – 'Presentation of Financial Statements' and consequently the Group does not make an explicit and unreserved statement of compliance with IFRS as contemplated by paragraph 14 of IAS 1. A company is only permitted to apply the first-time adoption rules of IFRS 1 – 'First-time Adoption of International Financial Reporting Standards' in its first set of financial statements where such an unreserved statement of compliance has been made. Although such a statement has not been made here, the historical financial information has been prepared from the date of incorporation, the beginning of the first period presented, and the requirements of IFRS 1 have been applied since that date.
- The rules for first-time adoption of IFRS are set out in IFRS 1. In preparing subsequent consolidated financial statements in accordance with IFRS, the date of transition, as determined in accordance with IFRS 1, will not be the 17 July 2006 and therefore the first time adoption rules will be applied at a date other than 17 July 2006 with a consequential impact on the opening IFRS balance sheet.

The transition from Indian GAAP to IFRS has been made in accordance with IFRS 1 'First Time Adoption of International Financial Reporting Standards'. On adoption of IFRS, OPGRE has not taken any exemptions.

3. Responsibility

The Directors of OPG Power Ventures Plc are responsible for the historical financial information on OPGRE and the contents of the AIM Admission Document in which it is included.

4. Balance Sheet

	Note	As at March 31,2007 $
ASSETS		
Current		
Cash in hand		2,202
Total current assets		2,202
Total assets		2,202
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	10	2,302
Retained earnings		(100)
Total shareholders' equity		2,202
Total liabilities and shareholders' equity		2,202

5. Income Statement

	Period ended March 31,2007 $
Income	460
Expenses	560
Loss from continuing operations	(100)
Loss attributable to shareholders of OPG Renewable Energy Private Limited	(100)
Earnings per share	
Basic and diluted	(0.01)

6. Statement of Changes in Shareholders' Equity

	Common share – Amount $	Retained earnings $	Total shareholders' equity $
Shares issued	2,302	—	2,302
Loss for the period	—	(100)	(100)
Total income and expense recognized for the period	—	(100)	(100)
Balance as at March 31, 2007	2,302	(100)	2,202

7. Statement of Cash Flows

	Period ended March 31,2007 $
Cash flow from operating activities	
Loss from operations	(100)
Net cash used in operating activities	(100)
Cash flow from financing activities	
Proceeds from Equity Shares	2,302
Net cash provided by financing activities	2,302
Cash and cash equivalents at the beginning of the period	—
Cash and cash equivalents at the end of the period	2,202
Cash and cash equivalents comprise	
Cash in hand	2,202
	2,202

8. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements

a) ***Basis of measurement***

The historical financial information has been prepared on historical cost basis in accordance with the accounting and reporting requirements of IFRS.

b) ***Functional and presentation currency***

The functional currency of OPGRE is the Indian Rupee ('INR' or 'Rs.'), the currency of the primary economic environment in which it operates. The presentation currency of OPGRE is the US Dollar ('US$').

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of remaining balances at year-end exchange rates are recognised in the income statement under "other income" or "other expenses", respectively

The historical financial information is reported in a currency different from OPGRE's functional currency, Assets and liabilities have been translated into US$ at the closing rate at the balance sheet date. Income, expenses and cash flows have been converted at the average rates over the reporting period. The resulting translation adjustments are recorded under the currency translation reserve in equity.

The rate of exchange used for conversion of INR to USD is as follows:

	Period end rate	*Average rate*
2007	43.44	45.25

c) ***Financial Assets***

OPGRE's financial asset consists of cash in hand only.

d) ***Segmental information***

Based upon the risks and returns of the Group the directors consider the primary reporting format is by business segment. The directors consider that there is only one business segment being the generation and distribution of electricity to customers.

The secondary reporting format is by geographical analysis. Based upon the risks and returns of the OPG Group the directors consider that there is only one geographical segment being India. All external revenues are earned from customers in India and it is India as a whole that dictates the level of geographical risk and return facing the OPG Group.

The disclosures for both the primary and secondary segment have been given in the consolidated income statement and consolidated balance sheet. This analysis is consistent with how management reports information internally for the purpose of evaluating the Group's performance and for making decisions about future allocations of resources.

e) ***Equity***

The authorized share capital of OPGRE is Rs 500,000 divided into 40,000 equity shares of Rs 10 each and 10,000 preference shares of US$ Rs 10 each.

Particulars	*31 March 2007*
	$
Allotted, called up and fully paid	
10,000 Ordinary shares	2,302
Total	2,302

Retained earnings include current period results as disclosed in the income statement.

9. Standards And Interpretations Not Yet Applied

The following standards, which are yet to become mandatory, have not been applied in the preparation of OPGRE's historical financial information.

Standard		*Effective for in reporting periods starting on or after*
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2008
IFRIC 13	Customer Loyalty Programmes	1 July 2008
IFRIC 12	Service Concession Arrangements	1 January 2008
IFRIC 11	IFRS 2 Group and Treasury Share Transactions	1 March 2007
IAS 1	Presentation of Financial Statements (revised 2007)	1 January 2009
IAS 23	Borrowing Costs (revised 2007)	1 January 2009
IAS 27	Consolidated and Separate Financial Statements (revised 2008)	1 July 2009
IFRS 3	Business Combinations (Revised 2008)	1 July 2009
IFRS 7	Financial Instruments: Disclosures	1 January 2007
IFRS 8	Operating Segments	1 January 2008

Based on OPGRE's current business model and accounting policies, management does not expect material impacts on its historical financial information when the Standards become effective.

OPGRE does not intend to apply any of these pronouncements early.

10. Shareholders' Equity

a) ***Share capital***

The authorized share capital of OPGRE is Rs 500,000 divided into 40,000 equity shares of Rs 10 each and 10,000 preference shares of Rs 10 each.

OPGRE presently has only one class of ordinary shares. For all matters submitted to vote in the shareholders meeting, every holder of ordinary shares, as reflected in the records of OPGRE on the date of the shareholders' meeting, has one vote in respect of each share held. All shares are equally eligible to receive dividends and the repayment of capital in the event of liquidation of OPGRE.

b) ***Retained earnings***

Retained earnings include current period results as disclosed in the income statement.

11. Risk Management Objectives And Policies

OPGRE has not defined its risk management objectives and policies. The directors are of the view that the risk management objectives and policies shall be defined on commencement of the operations.

12. Subsequent Events

OPGRE has entered into a lease agreement with Kanishk Steel on 2 November 2007 to take their power plant on lease. The lease is for a period of fifteen years and OPGRE has the option to renew the lease for another period of fifteen years on the same terms. OPGRE shall operate the said power plant from the date of commencement of operations. OPGRE shall make an interest free deposit equal to 10 per cent. of the total value of Plant & Equipment. The said deposit will be refunded on expiry of the lease. In consideration, OPGRE shall provide from the power plant, upto nine million units of power in any financial year. In the event such supply is less than nine million units in any financial year, then OPGRE shall compensate Kanishk, an amount equal to the value of such shortfall calculated by applying the rate of power charged by TNEB in that financial year.

Since the balance sheet date, the share capital has been re-organised into Class A shares (entitled to 1 per cent. economic rights) and Class B shares (entitled to 99 per cent. economic rights). All shares at the balance sheet date have been re-designated as Class B shares. All shares carry voting rights.

340,000 Class A shares of Rs 10 each have been issued at par.

430,000 Class B shares of Rs 10 each have been issued at par.

Details of Class B shares to be issued conditional upon Admission are disclosed in paragraph 5 of Part VII of this document.

PART IV H

ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION ON OPG RENEWABLE ENERGY PRIVATE LIMITED FOR THE PERIOD ENDED 31 MARCH 2007

Grant Thornton UK LLP
Grant Thornton House
Melton Street
LONDON
NW1 2EP

OPG Power Ventures Plc
22 Athol Street
Douglas
Isle of Man
IM1 1JA

23 May 2008

Dear Sirs

OPG RENEWABLE ENERGY PRIVATE LIMITED ("OPGRE")

We report on the historical financial information set out in Part IV G. This historical financial information has been prepared for inclusion in the AIM admission document dated 23 May 2008 of OPG Power Ventures Plc (the "Admission Document") on the basis of preparation set out in note 2 and in accordance with the accounting policies set out in note 8 of Part IV G on pages 71 to 72. This report is required by Schedule Two of the AIM Rules and is given for the purpose of complying with that Schedule and for no other purpose.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report.

Responsibilities

The Directors of OPG Power Ventures Plc are responsible for preparing the historical financial information on the basis of preparation set out in note 2 to the historical financial information on page 69 and in accordance with the accounting policies set out in note 8 on pages 71 to 72.

It is our responsibility to form an opinion as to whether the historical financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the historical financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the historical financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the historical financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of OPGRE as at the date stated and of its results and cash flows for the period then ended in accordance with the basis of preparation set out in note 2 on page 69 and in accordance with the accounting policies as described in note 8 on pages 71 to 72.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

Grant Thornton UK LLP

PART V

UNAUDITED INTERIM FINANCIAL INFORMATION

The historical financial information on the Group is presented in this Part V as follows:

- Part V A – the unaudited condensed interim financial information on OPG Energy Private Limited for the nine months ended 31 December 2007 and 31 December 2006.
- Part V B – the unaudited condensed interim financial information on OPG Power Generation Private Limited for the nine months ended 31 December 2007 and 31 December 2006.
- Part V C – the unaudited condensed interim financial information on OPG Renewable Energy Private Limited for the nine months ended 31 December 2007. No comparative information has been presented for the period ended 31 December 2006 as OPG Renewable Energy Private Limited was incorporated on 17 July 2006 and did not have any activities during this period.
- Part V D – the unaudited condensed interim financial information on OPG Gujarat Private Limited for the period from its incorporation on 26 April 2007 to 31 December 2007.

PART V A

UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION ON OPG ENERGY PRIVATE LIMITED FOR THE NINE MONTHS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

1. Introduction

The unaudited condensed historical interim financial information on OPG Energy Private Limited ("OPGE") which has been prepared solely for the purpose of the AIM Admission Document of the Company, contained in this Part V A, does not constitute audited statutory accounts within the meaning of Section 240 of the United Kingdom Companies Act.

2. Basis of preparation

The unaudited condensed interim financial statements of OPGE were originally prepared under Indian GAAP. For the purposes of the AIM Admission Document, the unaudited condensed interim financial information of OPGE has been restated in accordance with International Financial Reporting Standards ("IFRS"), including making such adjustments to the un-audited Indian GAAP interim financial information and additional disclosures as was considered necessary. IFRS standards as adopted for use in the European Union (EU) ("Adopted IFRSs") effective for accounting periods commencing on or after 1 April 2007 have been applied to all periods presented as if these had always been in existence. The unaudited condensed interim financial information has been prepared on a going concern basis. The unaudited condensed interim financial information has been prepared and presented in United States Dollars ("US$"), which is OPGE's reporting currency.

3. Responsibility

The Directors of OPG Power Ventures Plc are responsible for the unaudited condensed historical interim financial information on OPGE and the contents of the AIM Admission Document in which it is included.

4. Group statutory information

OPGE was incorporated on 11 December 2000 and has its registered office at 26, K B Dasan Road, Teynampet, Chennai – 600 018, India.

5. Unaudited Condensed Interim Balance Sheets of OPGE

	Note	*As of 31 December 2007 $*	*As of 31 December 2006 $*	*As of 31 March 2007 $*
ASSETS				
Current				
Inventories		194,106	102,631	137,295
Trade receivables		247,908	3,736,852	313,237
Cash and cash equivalents		912,752	60,756	111,998
Restricted cash		458,121	29,601	197,184
Investments held for trading		—	208,261	282,043
Advances to related parties	10	2,378,056	5,887,642	14,426,169
Current tax assets, net of liabilities		43,493	—	—
Other current assets		484,463	396,789	410,856
Total current assets		4,718,899	10,422,532	15,878,782
Non current				
Property, plant and equipment, net		12,927,419	9,694,581	9,679,814
Available for sale investments		286,991	241,059	126,491
Total non current assets		13,214,410	9,935,640	9,806,305
Total assets		17,933,309	20,358,172	25,685,087
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Trade payable		1,111,336	200,494	176,750
Current tax liabilities		—	144,178	60,837
Inter Corporate borrowings		621,632	—	—
Payable to share holders		2,353,240	—	—
Other liabilities	14	1,037,589	658,207	720,080
Borrowings	15	2,659,476	1,102,589	1,897,519
Total current liabilities		7,783,273	2,105,468	2,855,186
Non current liabilities				
Borrowings	15	6,875,693	2,923,833	6,515,245
Redeemable preference capital		—	453,309	—
Deferred tax liability		554,740	377,174	406,895
Total non current liabilities		7,430,433	3,754,316	6,922,140
Total liabilities		15,213,706	5,859,784	9,777,326
Shareholders' equity				
Share capital		1,399,035	1,399,035	1,399,035
Capital redemption reserve		2,051,758	1,596,957	2,051,758
Revaluation reserve		84,755	39,324	9,508
Translation reserve		682,946	306,958	550,377
Retained earnings		(1,498,891)	11,156,114	11,897,083
Total shareholders' equity		2,719,603	14,498,388	15,907,761
Total liabilities and shareholders' equity		17,933,309	20,358,172	25,685,087

6. Unaudited Condensed Interim Income Statement of OPGE

	Note	*9 Months Period Ended 31 December 2007 $*	*9 Months Period Ended 31 December 2006 $*	*Year Ended 31 March 2007 $*
REVENUES				
Operating revenues		8,816,920	7,282,258	9,852,547
		8,816,920	7,282,258	9,852,547
EXPENSES				
Cost of power generation		(2,822,895)	(2,451,461)	(3,346,618)
Employee costs		(96,160)	(13,900)	(37,462)
Other expenses		(83,051)	(102,160)	(95,335)
Depreciation		(557,173)	(490,025)	(657,942)
Total expenses		(3,559,279)	(3,057,546)	(4,137,357)
Operating result		5,257,641	4,224,712	5,715,190
Other income		125,211	88,615	45,927
Finance income		58,994	39,233	100,724
Finance cost		(743,365)	(294,654)	(438,803)
Profit from continuing operations before tax		4,698,481	4,057,906	5,423,038
Income tax	13	(648,353)	(516,855)	(686,217)
Profit attributable to shareholders of OPG Energy Private Limited		4,050,128	3,541,051	4,736,821
Earnings per share				
Basic and Diluted ($)		0.61	0.53	0.71

7. Unaudited Condensed Interim Statement of Changes in Shareholders' Equity of OPGE

	Share Capital – Amount *$*	*Capital redemption Reserves* *$*	*Revaluation reserve* *$*	*Translation reserve* *$*	*Accumulated earnings* *$*	*Total shareholders' equity* *$*
Balance as at 1 April 2006	1,399,035	—	24,886	67,476	9,212,020	10,703,417
Unrealised gain on available for sale investments	—	—	16,264	—	—	16,264
Deferred Tax on available for sale investments	—	—	(1,826)	—	—	(1,826)
Translation adjustment	—	—	—	239,482	—	239,482
Income/ (expense) recognized directly in equity	—	—	14,438	239,482	—	253,920
Profit for the period	—	—	—	—	3,541,051	3,541,051
Total income and expense recognized for the year	—	—	14,438	239,482	3,541,051	3,794,971
Transfer to capital redemption reserve on redemption of preference shares	—	1,596,957	—	—	(1,596,957)	—
Balance as at 31 December 2006	1,399,035	1,596,957	39,324	306,958	11,156,114	14,498,388
Balance as at 1 April 2007	1,399,035	2,051,758	9,508	550,377	11,897,083	15,907,761
Unrealised gain on available for sale investments	—	—	96,801	—	—	96,801
Deferred Tax on available for sale investments	—	—	(10,861)	—	—	(10,861)
Realised gain on available for sale investment recycled to profit and loss account on disposal of investments	—	—	(10,693)	—	—	(10,693)
Translation adjustment	—	—	—	132,569	—	132,569
Income/ (expense) recognized directly in equity	—	—	75,247	132,569	—	207,816
Profit for the period	—	—	—	—	4,050,128	4,050,128
Total income and expense recognized for the year	—	—	75,247	132,569	4,050,128	4,257,944
Distribution of non cash financial assets to shareholders (Refer Note 11)	—	—	—	—	(17,446,102)	(17,446,102)
Balance as at 31 December 2007	1,399,035	2,051,758	84,755	682,946	(1,498,891)	2,719,603

8. Unaudited Condensed Interim Statement of Cash Flows of OPGE

	9 Months Period ended 31 December 2007	*9 Months Period ended 31 December 2006*	*Year ended 31 March 2007*
	$	*$*	*$*
Cash flow from operating activities			
Profit before tax	4,698,481	4,057,906	5,423,038
Adjustments to reconcile net result before tax to net cash provided by operating activities			
Interest on term loan	743,365	294,654	415,941
Depreciation	557,173	490,025	657,942
Interest income	(125,211)	(88,615)	(129,098)
Unrealised (gain)/ loss on trading investment	15,168	(9,748)	18,289
Profit on sale of short term available for sale financial assets	(74,162)	(29,485)	(35,851)
Changes in operating assets and liabilities			
Increase in Accounts receivable, net	(1,675,167)	(1,699,268)	(1,622,302)
Increase in Inventories	(41,787)	(12,004)	(43,838)
Increase in Other current assets	(14,602)	160,082	155,457
Decrease in Accounts payable	(76,416)	(149,760)	(170,932)
Increase in Other liabilities	238,216	212,478	263,717
Net changes in operating assets and liabilities	(1,569,756)	(1,488,472)	(1,417,898)
Direct taxes paid	(661,531)	(375,262)	(602,694)
Net cash provided by operating activities	3,583,527	2,851,003	4,329,669
Cash from investing activities			
Interest income	4,308	84,907	1,460
Income from available for sale investments	—	8,220	10,076
Purchase of property, plant and equipment	(24,544)	(1,289)	(11,618)
Proceeds from sale of property, plant and equipment	—	4,055	4,088
Advance provided to related parties	(18,444,282)	(990,210)	(5,755,289)
Advances recovered from related parties	15,476,254	110,044	123,746
Purchase of available for sale investments	(173,177)	(62,400)	(206,809)
Purchase of investments held for trading	(284,717)	(110,197)	—
Proceeds from sale of available for sale investments	164,429	—	209,645
Proceeds from sale of investments held for trading	594,051	172,159	—
Net cash used in investing activities	(2,687,678)	(784,711)	(5,624,701)
Cash from financing activities			
Redemption of preference shares	—	(1,596,957)	(2,051,758)
Interest paid	(690,908)	(290,533)	(420,205)
Proceeds from secured loan	1,730,518	—	4,419,512
Repayment of secured loans	(1,522,044)	(776,009)	(1,043,005)
Proceeds from inter-corporate borrowings	606,034	—	—
Movement in restricted cash	(234,858)	1,293	(159,125)
Net cash provided by financing activities	(111,258)	(2,662,206)	745,419
Effects of exchange rate changes on cash	16,163	(14,129)	(9,188)
Cash and cash equivalents at the beginning of the year	111,998	670,799	670,799
Cash and cash equivalents at the end of the year	912,752	60,756	111,998
Cash and cash equivalents comprise			
Cash in hand	40,870	983	14,620
Balances with banks in current account	871,882	59,773	97,378
	912,752	60,756	111,998
Supplemental cash flow information			
Non- cash transfer of accounts receivable to fixed assets (Refer Note 10)	2,882,370	—	3,226,718

9. Summary of Significant Accounting Policies

9.1. *Overall Considerations*

The unaudited condensed interim financial information has been prepared on the same basis and using the same accounting policies as used in the historical financial information for the year ended 31 March 2007. Accordingly, they do not include all of the information required for full annual financial statements and should be read in conjunction with the historical financial information of OPGE.

The unaudited condensed interim financial information has been presented in the United States Dollars ('$'), which is the reporting currency of OPGE.

The unaudited condensed interim financial information has been presented for the nine months ended 31 December 2007 and 31 December 2006.

9.2. *Use of Estimates*

In preparing the unaudited condensed historical interim financial statement, the significant assumptions made by management in applying accounting policies and the key sources of estimation uncertainty are the same as those that applied to the historical financial statements as at and for the year ended 31 March 2007.

10. Advance to related parties

Particulars	*31 December 2007*	*31 December 2006*	*31 March 2007*
	$	*$*	*$*
Application money pending allotment	958,539	4,695,780	13,213,049
Advances to Salem Foods Products Limited	1,419,517	1,191,862	1,213,120
Total	2,378,056	5,887,642	14,426,169

OPGE has advanced certain amounts as application money towards issue of shares in the following companies:

Particulars	*31 December 2007*	*31 December 2006*	*31 March 2007*
	$	*$*	*$*
OPG Industries Limited	—	1,405,938	1,427,200
OPG Metals Private Limited	—	2,915,560	6,456,008
OPG Power Generation Limited	—	374,282	5,328,981
OPG Maharashtra Private Limited	958,539	—	860
Total	958,539	4,695,780	13,213,049

The Company received all amounts advanced to OPG Industries Limited, OPG Metals Private Limited and OPG Power Generation Limited in September and an amount of US$ 17,623,938 was advanced to OPG Maharashtra in the nine months ended December 31, 2007.

11. Distribution to equity shareholders

During the period, the shareholders of OPGE approved certain amendments to its Articles of Association to effectively transfer certain assets of the Company to the benefit of certain of its equity shareholders. At OPGE's Extraordinary General Meeting held on 15 December 2007 the Articles of Association were amended to effect the following:

- A sum of $13,642,374 (Rs 600 million) shall be appropriated out of its accumulated profits into a Special Reserve A Account. A further sum not exceeding $ 1,450,488 (Rs 57.20 million) shall be appropriated out of the distributable profits for the financial year 2007 – 08 to the said Special Reserve A Account and shall take effect on 31 March 2008. The Special Reserve A Account and the Capital Redemption Reserve of $ 2,051,758 (Rs 92.80 million) are earmarked for the sole and exclusive benefit of the Equity Shareholders holding Equity Shares with Distinctive Nos. 1 – 6696404 "Specified shareholders".

- The other significant aspects of the amendments to the articles are:
  - Any distribution out of such Special Reserve A and out of Capital Redemption Reserve by way of dividend, reduction of capital, de-merger or similar arrangement shall be made exclusively to the specified shareholders and these amounts shall be distributed in one of the permitted methods on or before 31 March 2012;
  - The distribution to be made out of the advance given by OPGE to OPG Maharashtra for an amount of $17,623,938 (Rs. 695 million). Further sum of $1,394,700 (Rs 55 million) is to be advanced to OPG Maharashtra by 30 June 2008.
  - Any incomes, profits, losses, costs, in relation to investment in OPG Maharashtra whether by way of dividends, profit / loss on sale of investments, accretion / diminution in value of such investments, shall be appropriated to such special reserve A account;
  - The Company retains the contractual rights to receive the cash flows from the investment in OPG Maharashtra, but assumes a contractual obligation to pay the cash flows to the specified shareholders and any cash flows collected on behalf of the specified shareholders shall be remitted to them without material delay; and
  - OPGE has no obligation to pay amounts to the specified shareholders unless it collects equivalent amount from the investment made in OPG Maharashtra by way of dividends, profits / losses on sale of such investments, accretion / diminution in value of such investments.

In line with provision of IAS 39

Particulars	*Application money pending allotment* *$*	*Payable to share holders* *$*
Gross amount of advances and liability recognized	17,623,938	19,018,639
Derecognition to the extent of free reserves available	(16,665,399)	(16,665,399)
Net amount of advances and liability recognized in financials	958,539	2,353,240

Based on the above amendments to the Articles of Association, OPGE recorded a liability to its shareholders by appropriating out of past profits into the Special Reserve A Account and Capital Redemption Reserve of $19,018,639 (Rs 750 million), as it represented a contractual obligation to transfer a financial asset. Correspondingly, based on the terms of the amended Articles, of the total amount of $17,623,938 (Rs 695 million) advanced to OPG Maharashtra, OPGE recorded a distribution of a financial asset, being its advances to OPG Maharashtra to the extent of $16,665,399 (Rs 657.20 million), as the asset is deemed to be transferred as per the provisions of IAS 39 relating to derecognition of a financial asset on transfer of all related risks and rewards. The balance of $958,539 is represented by the Capital Redemption Reserve, the distribution of which requires approval of High Courts in India. Consequently, the same has not been derecognized. Further, this transfer of the financial asset of $ 16,665,399 has been considered as an extinguishment of part of the liability initially recorded. Accordingly, the liability is now carried at an amount of $ 2,353,240.

12. Property, plant and equipment

OPGE has acquired a 1.4 MW waste heat recovery plant from OPG Metals for a total consideration of $ 2,764,470. Out of the said consideration $ 1,769,885 was settled by offsetting the accounts receivable from OPG Metals and the balance was paid in cash subsequent to the balance sheet date.

13. Taxes

Taxes for the year comprise the following:

Particulars	*31 December 2007* *$*	*31 December 2006* *$*	*31 March 2007* *$*
Current tax expense	553,794	455,138	601,054
Deferred tax expense	94,559	61,717	85,163
Total	648,353	516,855	686,217

A substantial portion of the profits of OPGE are exempt from Indian income taxes, being profits attributable to generation of power. Under the tax holiday, OPGE can utilize an exemption from income taxes for a period of 10 years commencing from the initial assessment year and ending in March 2013.

However OPGE is subject to the provisions of Minimum Alternate Tax ('MAT') under the Indian Income Tax for the period ended 31 December 2006 and 31 December 2007. According to the Indian Income Tax, where the tax liability of a company is less than 10 per cent. of the book profit (excluding surcharge and education cess), such book profit shall be deemed to be the taxable income and chargeable to tax at the rate of 10 per cent. plus applicable surcharge and education cess. OPGE can avail credit of the MAT paid for the period ended 31 December 2007 and 31 December 2008 against future tax liabilities and can carry forward and set off with in seven years from the end of the financial year in which MAT is paid.

The relationship between the expected tax expense based on the applicable tax rate of OPGE and tax expense actually recognized in the income statement can be reconciled as follows:

Particulars	*31 December 2007*	*31 December 2006*	*31 March 2007*
Effective tax rate	33.99%	33.66%	33.66%
Expected tax expense at prevailing rate ($)	1,597,014	1,365,891	1,825,395
Other adjustments			
Exempt income ($)	(1,497,348)	(1,303,698)	(1,741,012)
Impact due to application of MAT ($)	532,338	455,297	608,465
Others ($)	16,349	(635)	(6,631)
Total tax expense	648,353	516,855	686,217

14. Other Liabilities

Other liabilities comprises of the following:

Particulars	*31 December 2007*	*31 December 2006*	*31 March 2007*
	$	*$*	*$*
Statutory liabilities	1,037,589	658,207	720,080
Total	1,037,589	658,207	720,080

Statutory liability mainly comprises of Generation tax payable to Taminadu Electricity Board ('TNEB').

15. Borrowings

Particulars	*31 December 2007*	*31 December 2006*	*31 March 2007*
	$	*$*	*$*
Term loans from banks	9,535,169	4,026,422	8,412,764
Less: Current portion of long term debt	2,659,476	1,102,589	1,897,519
Non current portion of long term debt	6,875,693	2,923,833	6,515,245

The fair value of long term debt is estimated by the management to be approximate to their carrying value, since the average interest rate on such debt is within the range of current interest rates prevailing in the market.

The security provided for the term loans with banks are the same as existed as of 31 March 2007.

The maturity profile of long term debt outstanding as of 31 December 2007 and 31 December 2006 are given below:

Period ending	*31 December 2007*	*31 December 2006*	*31 March 2007*
	$	*$*	*$*
2007	—	1,102,589	—
2008	2,659,476	1,069,810	1,930,557
2009	2,640,770	1,069,810	2,007,288
2010	2,341,544	784,213	2,007,288
2011	1,443,864	—	1,464,031
2012	449,515	—	1,003,600
Total	9,535,169	4,026,422	8,412,764

16. Related Party Transactions

Related parties with whom OPGE has transacted during the year

Key Management Personnel
Mr. Arvind Gupta
Mr. Ravi Gupta
Mr. Rajesh Gupta

Enterprises over which significant influence exercised by key management personnel/ directors
Delhi Steel Tubes Industries Limited
OPG Industries Limited
OPG Power Generation Private Limited
OPG Power Gujarat Private Limited
OPG Wind farms Private Limited
OPG Power Maharashtra Private Limited
OPG Industries Limited
OPG Renewable Energy Private Limited
TamilNadu Property Developers Limited (TNDPL)
Salem Food Products Limited
Triveni Steel Private Limited
Tamilnadu Enterprises and Investments Limited

Companies which have significant shareholding
Kanishk Steel Industries Limited
OPG Metals Private Limited

Summary of transactions with related parties during the year

Nature of transaction	*Year ended 31 December 2007 $*	*Year ended 31 December 2006 $*	*Year ended 31 March 2007 $*
Transaction with Key Management Personnel			
Remuneration	15,575	13,810	18,562
Amount payable at the year end	15,976	14,279	—
Transactions with enterprises over which significant influence exercised by key management personnel/ directors of OPGE			
Sale of power	110,232	101,770	1,022,520
Interest income	104,442	82,085	112,173
Loan provided	17,194,067	457,927	5,224,868
Loan received	247,219	—	—
Amount receivable at the period end	2,415,819	3,004,523	7,995,428
Amount payable at the period end	253,582	—	—
Transaction with companies which have significant shareholding in OPGE			
Sale of power	5,528,370	4,986,049	5,825,802
Repayment of preference capital	—	—	598,503
Loans provided	—	448,825	3,468,816
Loans received	433,560	—	—
Purchase of Fixed assets	2,764,470	—	—
Amount receivable at the period end	120,934	6,220,615	6,103,910
Amount payable at the period end	1,388,235	—	—

OPGE had availed concessional customs duty for import of capital equipment under EPCG scheme. Accordingly, OPGE has an export obligation for US $ 7,963,973. The export obligation is met out by Kanishk and other JV Partners on behalf of OPGE within 8 years from November 3, 2003. The customs duty saved amounts to US$ 1,062,142. OPGE had paid US$ 889,497, out of the customs duty saved, to Kanishk as compensation for the export obligation to be met out by them, which has been added to the cost of property, plant and equipment. The export obligation met by Kanishk as of 31 December 2007 is $ 3,915,872.

17. Earnings Per Share

Calculation of basic and diluted EPS is as follows:

Particulars	*31 December 2007 $*	*31 December 2006 $*	*31 March 2007 $*
Profit attributable to shareholders of OPG for basic and dilutive	4,050,128	3,541,051	4,736,821
Weighted average numbers Shares outstanding during the year for Basic	6,666,400	6,666,400	6,666,400
Basic EPS ($)	0.61	0.53	0.71

18. Commitments and Contingencies

Particulars	*31 December 2007 $*	*31 December 2006 $*	*31 March 2007 $*
Counter guarantees given to bankers against guarantees issued by them	215,080	190,714	192,249
Letters of Credit issued by Bankers	137,454	121,882	122,862

PART V B

UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION ON OPG POWER GENERATION PRIVATE LIMITED FOR THE NINE MONTHS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

1. Introduction

The condensed interim financial information on OPG Power Generation Private Limited ("OPGPG"), which has been prepared solely for the purpose of the AIM Admission Document of the Company, contained in this Part V B, does not constitute audited statutory accounts within the meaning of Section 240 of the United Kingdom Companies Act.

2. Basis of preparation

The unaudited condensed interim financial statements of OPGPG were originally prepared under Indian GAAP. For the purposes of the AIM Admission Document, the financial information of OPG Power has been restated in accordance with International Financial Reporting Standards ("IFRS"), including making such adjustments to the unaudited Indian GAAP financial information and additional disclosures as was considered necessary. IFRS standards as adopted for use in the European Union (EU) ("Adopted IFRSs") effective for accounting periods commencing on or after 1 April 2007 have been applied to all periods presented as if these had always been in existence. The unaudited condensed interim financial information has been prepared on a going concern basis. The unaudited condensed interim financial information has been prepared and presented in United States Dollars ("US$"), which is OPGPG reporting currency.

3. Responsibility

The Directors of OPG Power Ventures Plc are responsible for the unaudited condensed historical interim financial information on OPGPG and the contents of the AIM Admission Document in which it is included.

4. Group statutory information

OPGPG Power was incorporated on 21 February 2005 and has its registered office at 26, K B Dasan Road, Teynampet, Chennai – 600 018, India.

5. Unaudited Condensed Interim Balance Sheet

	Note	*As of 31 December 2007 $*	*As of 31 December 2006 $*	*As of 31 March 2007 $*
ASSETS				
Current				
Cash and cash equivalents	10	296,025	19,235	272,729
Other current assets	11	325,997	48,773	12,246
Total current assets		622,022	68,008	284,975
Non current				
Property, plant and equipment	12	54,178	30,173	31,514
Land lease deposit		173,763	145,867	86,366
Prepaid rent		1,937,337	1,793,972	1,870,343
Capital advances	13	7,752,064	11,062	4,374,852
Restricted cash		2,536	—	—
Total non current assets		9,919,878	1,981,074	6,363,075
Total assets		10,541,900	2,049,082	6,648,050
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Trade payable		53,573	46,308	—
Bank Overdraft		572,173	—	—
Other liabilities	14	8,891,545	2,048,832	7,111,214
Inter Corporate Borrowings		1,995,866	182,660	—
Total current liabilities		11,513,157	2,277,800	7,111,214
Non current				
Borrowings		5,314	—	—
Total non current liabilities		5,314	—	—
Total liabilities		11,518,471	2,277,800	7,111,214
Shareholders' equity	15			
Share capital		2,241	2,241	2,241
Translation Reserve		(75,281)	(5,017)	(16,736)
Retained earnings		(903,531)	(225,942)	(448,669)
Total shareholders' equity		(976,571)	(228,718)	(463,164)
Total liabilities and shareholders' equity		10,541,900	2,049,082	6,648,050

6. Unaudited Condensed Interim Income Statement

	Note	*9 months period ended 31 December 2007 $*	*9 months period ended 31 December 2006 $*	*Year ended 31 March 2007 $*
EXPENSES				
Employee costs		(77,200)	(15,896)	(45,543)
Other expenses		(385,526)	(126,527)	(322,232)
Total expenses		(462,726)	(142,423)	(367,775)
Operating Loss		(462,726)	(142,423)	(367,775)
Other Income		7,864	2,812	5,437
Loss from continuing operations before tax		(454,862)	(139,611)	(362,338)
Loss from continuing operations		(454,862)	(139,611)	(362,338)
Loss attributable to shareholders of OPG Power		(454,862)	(139,611)	(362,338)
Earnings per share				
Basic and Diluted $		(34.11)	(10.47)	(36.23)

7. Unaudited Condensed interim statement of changes in Shareholders' Equity

	Share Capital– Amount $	*Translation Reserve $*	*Retained earnings $*	*Total shareholders' equity $*
Balance as at 1 April 2006	2,241	639	(86,331)	(83,451)
Translation adjustment	—	(5,656)	—	(5,656)
Expense recognized directly in equity	—	(5,656)	—	(5,656)
Loss for the period	—	—	(139,611)	(139,611)
Total income and expense recognized for the year	—	(5,656)	(139,611)	(145,267)
Balance as at 31 December 2006	2,241	(5,017)	(225,942)	(228,718)
Balance as at 1 April 2007	2,241	(16,736)	(448,669)	(463,164)
Translation adjustment	—	(58,545)	—	(58,545)
Expense recognized directly in equity	—	(58,545)	—	(58,545)
Loss for the period	—	—	(454,862)	(454,862)
Total income and expense recognized for the year	—	(58,545)	(454,862)	(513,407)
Balance as at 31 December 2007	2,241	(75,281)	(903,531)	(976,571)

8. Unaudited Condensed Interim Statement of Cash Flows

	Period Ended 31 December 2007 $	*Period Ended 31 December 2006 $*	*Year Ended 31 March 2007 $*
Cash flow from operating activities			
Net loss before Tax	(454,862)	(139,611)	(362,338)
Adjustments to reconcile net income before tax to net cash provided by operating activities			
Deferred rent	51,436	19,569	34,766
Interest income	(7,864)	(2,812)	(4,995)
(Decrease) in other current assets	(396,193)	(36,392)	(883)
Increase in Accounts Payable	52,235	44,795	—
Decrease in Other liabilities	(20,291)	(1,679)	9,990
Lease deposit	—	(1,893,225)	(1,908,124)
Net cash used in operating activities	(775,539)	(2,009,355)	(2,231,584)
Cash flow from investing activities			
Purchase of property, plant and equipment	(18,971)	(29,187)	(4,226,614)
Capital advances made	(2,858,874)	(7,425)	—
Net cash used in investing activities	(2,877,845)	(36,612)	(4,226,614)
Cash flow from financing activities			
Increase in Bank Overdraft	557,882	—	—
Bank Deposit	(2,473)	—	—
Proceeds from Inter-corporate borrowings	1,946,019	176,692	—
Proceeds from prepaid capital contribution	2,378,833	1,659,865	—
Refund of Prepaid Capital Contribution	(1,236,400)	—	6,490,195
Proceeds from secured loan	5,182	—	—
Net cash provided by financing activities	3,649,043	1,836,557	6,490,195
Effects of exchange rate changes on cash	27,637	(4,444)	7,643
Cash and cash equivalents at the beginning of the year	272,729	233,089	233,089
Cash and cash equivalents at the end of the year	296,025	19,235	272,729
Cash and cash equivalents comprise			
Cash in hand	2,660	2,814	60,195
Balance with banks	293,365	16,421	212,534
	296,025	19,235	272,729

9. Summary of significant accounting policies

9.1. ***Overall Considerations***

The unaudited condensed interim financial information has been prepared on the same basis and using the same accounting policies as used in the historical financial information for the year ended 31 March 2007. Accordingly, they do not include all of the information required for full annual financial statements, and should be read in conjunction with the historical financial information of OPGPG.

The unaudited condensed interim financial information has been presented in United States Dollars ('$'), which is the reporting currency of OPGPG.

The unaudited condensed interim financial information has been presented for the nine months ended 31 December 2007 and 31 December 2006.

9.2. ***Use of Estimates***

In preparing unaudited condensed interim financial statement, the significant assumptions made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statement as at and for the year ended 31 March 2007.

10. Cash and cash equivalents

Cash and cash equivalents comprise the following:

Particulars	*31 December 2007 $*	*30 December 2006 $*	*31 March 2007 $*
Cash in hand	2,660	2,814	60,195
Balances with banks in current account	293,365	16,421	212,534
Total	296,025	19,235	272,729

11. Other current assets

Other current assets comprise the following:

Particulars	*31 December 2007 $*	*31 December 2006 $*	*31 March 2007 $*
Deferred share issue expenses	81,562	—	—
Deferred debt issue Expenses	159,367	—	—
Deposits and advances	85,068	48,773	12,246
Total	325,997	48,773	12,246

12. Property, plant and equipment

	Land $	*Office equipment $*	*Total $*
Gross Block			
As of 1 April 2006	30,173	—	30,173
Additions	—		—
Translation reserve	—	—	—
As of 31 December 2006	30,173		30,173
As of 1 January 2007	30,173	—	30,173
Additions	—	870	870
Translation reserve	471	—	471
As of 31 March 2007	30,644	870	31,514
As of 1 April 2007	30,644	870	31,514
Additions	13,385	6,072	19,457
Translation Reserve	3,118	89	3,207
As of 31 December 2007	47,147	7,031	54,178
Net Block			
As of 31 December 2006	30,173	—	30,173
As of 31 March 2007	30,644	870	31,514
As of 31 December 2007	47,147	7,031	54,178

OPGPG has not charged depreciation for the period ended 31 December, 2007 and shall charge depreciation from the date of commencement of operations.

13. Capital advance

Capital advances comprises of the following:

Particulars	*31 December 2007 $*	*31 December 2006 $*	*31 March 2007 $*
Opening balances	4,374,852	3,349	9,289
Additions	2,932,105	7,675	4,365,372
Translation reserve	445,107	38	191
Total	7,752,064	11,062	4,374,852

14. Other Liabilities

Other liabilities comprises of the following:

Particulars	*31 December 2007 $*	*31 December 2006 $*	*31 March 2007 $*
Statutory liabilities	1,107	7,808	20,100
Prepaid capital contribution	8,890,438	2,041,024	7,091,114
Total	8,891,545	2,048,832	7,111,214

15. Shareholders' Equity

15.1 ***Share capital***

The authorized share capital of OPGPG is Rs 1,000,000 divided into 50,000 equity shares of Rs 10 each and 50,000 preference shares of Rs 10 each.

OPGPG presently has only one class of ordinary shares. For all matters submitted to vote in the shareholders meeting, every holder of ordinary shares, as reflected in the records of OPGPG on the date of the shareholders' meeting, has one vote in respect of each share held. All shares are equally eligible to receive dividends and the repayment of capital in the event of liquidation of OPGPG.

15.2 ***Retained earnings***

Retained earnings include all current and prior period results as disclosed in the income statement.

16. Related Party Transactions

Related parties with whom OPGPG has transaction during the period

Key Management Personnel

Mr. Arvind Gupta
Mr. Rajesh Gupta
Mr. Rama Murthy
Mr Chandra Moulee
Mr V.Narayana Swami

Enterprises over which significant influence exercised by key management personnel/directors

OPG Energy P Ltd
OPG Industries
OPG Power Gujarat Private Limited
OPG Wind Farms Private Limited
OPG Renewable Energy Private Limited
Tamilnadu Property Developers Limited (TNDPL)

Summary of transactions with related parties during the year

Nature of transaction	*Period ended 31 December 2007 $*	*Period ended 31 December 2006 $*	*Period ended 31 March 2007 $*
Transaction with Key Management Personnel			
Remuneration	40,801	15,896	19,335
Lease deposit	—	1,099,978	1,108,634
Purchase of Land	—	28,900	29,127
Amount payable at period end	15,724	29,876	13,812
Amount receivable at period end	1,272,381	1,137,126	154,881
Transactions with enterprises over which significant influence exercised by key management personnel/directors.			
Loan Received	2,199,167	—	—
Loan Paid	2,199,167	—	—
Land lease deposit	—	793,247	799,490
Share application money received	—	295,988	5,101,363
Amount payable at period end	5,871,164	305,984	5,328,981
Amount receivable at period end	917,575	820,036	832,840

17. Commitments And Contingencies

Particulars	*31 December 2007 $*	*31 December 2006 $*	*31 March 2007 $*
Estimated amount of contracts remaining to be executed on setting up power plant at Gummidipoondi, Tamil Nadu, India not provided for	57,016,732	52,844,826	55,140,567

PART V C

UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION ON OPG RENEWABLE ENERGY PRIVATE LIMITED FOR THE PERIOD ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

1. Introduction

The unaudited condensed interim financial information on OPG Renewable Energy Private Limited ("OPGRE"), which has been prepared solely for the purpose of the AIM Admission Document of the Company, contained in this Part V C, does not constitute audited statutory accounts within the meaning of Section 240 of the United Kingdom Companies Act.

2. Basis of preparation

The unaudited condensed interim financial statements of OPGRE were originally prepared under Indian GAAP. For the purposes of the AIM Admission Document, the financial information of OPGRE has been restated in accordance with International Financial Reporting Standards ("IFRS"), including making such adjustments to the audited Indian GAAP financial information and additional disclosures as was considered necessary. IFRS standards as adopted for use in the European Union (EU) ("Adopted IFRSs") effective for accounting periods commencing on or after 1 April 2007 have been applied to all periods presented as if these had always been in existence. The unaudited condensed interim financial information has been prepared on a going concern basis. The unaudited condensed interim financial information has been prepared and presented in United States Dollars ("US$"), which is OPGRE reporting currency.

3. Responsibility

The Directors of OPG Power Ventures Plc are responsible for the unaudited condensed interim financial information on OPGRE and the contents of the AIM Admission Document in which it is included.

4. Group statutory information

OPGRE was incorporated on 17 July 2006 and has its registered office at 26, Mooker Nalla Muthu Street, Chennai – 600 001, India.

5. Unaudited Condensed Interim Balance Sheet

	Note	*As of 31 December 2007 $*	*As of 31 December 2006 $*	*As of 31 March 2007 $*
ASSETS				
Current				
Cash and cash equivalents		1,219	1,808	2,202
Advance to related party		253,582	—	—
Total current assets		253,582	1,808	2,202
Total assets		254,801	1,808	2,202
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Other liabilities		253,909	—	—
Total current liabilities		253,909	—	—
Total liabilities		253,909	—	—
Shareholders' equity				
Share capital		2,302	2,302	2,302
Translation reserve		185	(51)	—
Retained earnings		(1,595)	(443)	(100)
Total shareholders' equity		892	1,808	2,202
Total liabilities and shareholders' equity		254,801	1,808	2,202

6. Unaudited Condensed Interim Income Statement

	Note	*Period ended 31 December 2007 $*	*Period ended 31 December 2006 $*	*Year ended 31 March 2007 $*
Income		—	—	460
Expenses		(1,495)	(443)	(560)
Loss from continuing operations		(1,495)	(443)	(100)
Loss attributable to shareholders of OPGRE		(1,495)	(443)	(100)
Earnings per share				
Basic and diluted ($)		(0.15)	(0.04)	(0.01)

7. Unaudited Condensed Interim Statement of Changes in Shareholders' Equity

	Share capital – Amount *$*	*Translation reserve* *$*	*Retained earnings* *$*	*Total shareholders' equity* *$*
Balance as at 1 April 2006	2,302	—	—	2,302
Translation adjustment	—	(51)	—	(51)
Income/ (expense) recognized directly in equity		(51)		(51)
Loss for the period	—	—	(443)	(443)
Total income and expense recognized for the period	—	(51)	(443)	(494)
Balance as at 31 December 2006	2,302	(51)	(443)	1,808
Balance as at 1 April 2007	2,302	—	(100)	2,202
Translation adjustment	—	185	—	185
Income/ (expense) recognized directly in equity	—	185	—	185
Loss for the period			(1,495)	(1,495)
Total income and expense recognized for the period	—	185	(1,495)	(1,310)
Balance as at 31 December 2007	2,302	185	(1,595)	892

8. Unaudited Condensed Interim Statement of Cash Flows

	Note	*Period ended 31 December 2007* *$*	*Period ended 31 December 2006* *$*	*Year ended 31 March 2007* *$*
Cash flow from operating activities				
Loss from operations		(1,495)	(443)	(100)
Changes in operating assets and liabilities				
Other current assets		(247,242)	—	—
Other liabilities		247,561	—	—
Changes in operating assets and liabilities				
Other liabilities		319	—	—
Net changes in operating assets and liabilities		319	—	
Net cash used in operating activities		(1,176)	(443)	(100)
Cash flow from financing activities				
Equity share capital		—	2,192	2,302
Net cash provided by financing activities		—	2,192	2,302
Effects of exchange rate changes on cash		193	59	—
Cash and cash equivalents at the beginning of the period		2,202	—	—
Cash and cash equivalents at the end of the period		1,219	1,808	2,202
Cash and cash equivalents comprise				
Cash in hand		229	1,808	2,202
Balances with banks in current accounts		990	—	—
		1,219	1,808	2,202

9. Summary of significant accounting policies

a) ***Overall considerations***

The unaudited condensed interim financial information has been prepared on the same basis and using the same accounting policies as used in the historical financial information for the year ended 31 March 2007. Accordingly, they do not include all of the information required for full annual financial statements and should be read in conjunction with the historical financial information of OPGRE.

The unaudited condensed interim financial information has been presented in United States Dollars ('US$'), which is the reporting currency of OPGRE.

The unaudited condensed financial information has been presented for the nine months ended 31 December 2007 and 31 December 2006.

b) ***Use of estimates***

In preparing unaudited condensed interim financial information, the significant assumptions made by management in applying accounting policies and the key sources of estimation uncertainty are the same as those that applied to the historical financial statements as at and for the year ended 31 March 2007.

10. Events during the period

OPGRE has entered into a lease agreement with Kanishk Steel on 2 November 2007 to take their power plant on lease. The lease is for a period of fifteen years and OPGRE has the option to renew the lease for another period of fifteen years on the same terms. OPGRE shall operate the said power plant from the date of commencement of operations. OPGRE shall make an interest free deposit equal to 10 per cent. of the total value of Plant & Equipment. The said deposit will be refunded on expiry of the lease. In consideration, OPGRE shall provide from the power plant, up to nine million units of power in any financial year. In the event such supply is less than nine million units in any financial year, then OPGRE shall compensate Kanishk Steel, an amount equal to the value of such shortfall calculated by applying the rate of power charged by TNEB in that financial year.

PART V D

UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION ON OPG POWER GUJARAT PRIVATE LIMITED FOR THE PERIOD ENDED 31 DECEMBER 2007

1. Introduction

The unaudited condensed interim financial information on OPG Power Gujarat Private Limited ("OPGG"), which has been prepared solely for the purpose of the AIM Admission Document of the Company, contained in this Part V D, does not constitute audited statutory accounts within the meaning of Section 240 of the United Kingdom Companies Act.

2. Basis of preparation

OPGG has been set up to carry on the business of generation and transmission of electricity. OPGG is engaged in setting up two coal based thermal power plants of 135 MW each totalling to a capacity of 270 MW in Kutch, Gujarat. The operations have not commenced as of 31 December, 2007.

The unaudited condensed interim financial statements of OPGG were originally prepared under Indian GAAP. For the purposes of the AIM Admission Document, the unaudited condensed interim financial information of OPGG has been restated in accordance with International Financial Reporting Standards ("IFRS"), including making such adjustments to the unaudited Indian GAAP financial information and additional disclosures as was considered necessary. IFRS standards as adopted for use in the European Union (EU) ("Adopted IFRSs") effective for accounting periods commencing on or after 1 April 2007 have been applied to all periods presented as if these had always been in existence. The unaudited condensed interim financial information has been prepared on a going concern basis. The unaudited condensed interim financial information has been prepared and presented in United States Dollars ("US$"), which is OPGG's reporting currency.

3. Responsibility

The Directors of OPG Power Ventures Plc are responsible for the unaudited condensed interim financial information on OPGG and the contents of the AIM Admission Document in which it is included.

4. Group statutory information

OPGG was incorporated on 26 April 2007 and has its registered office at 26, K B Dasan Road, Teynampet, Chennai – 600 018, India.

5. Unaudited Condensed Interim Balance Sheet

	Note	As at 31 December 2007 $
ASSETS		
Current		
Cash in hand		8,753
Advances to related parties		2,579
Other current assets	10	148,462
Total current assets		159,794
Total assets		159,794
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Other liabilities		4,437
Inter Corporate borrowings		183,581
Total current liabilities		188,018
Total liabilities		188,018
Shareholders' equity	11	
Share capital		2,536
Translation reserve		(769)
Retained earnings		(29,991)
Total shareholders' equity		(28,224)
Total liabilities and shareholders' equity		159,794

6. Unaudited Condensed Interim Income Statement

	Period ended 31 December 2007 $
Expenses	29,991
Loss from continuing operations	(29,991)
Loss attributable to shareholders of OPGG	(29,991)
Earnings per share	
Basic and diluted ($)	(3.00)

7. Unaudited Condensed Interim Statement of Changes in Shareholders' Equity

	Share capital Amount $	Translation reserve $	Retained earnings $	Total shareholders' equity $
Proceeds from issue of shares	2,536	—	—	2,536
Translation adjustment	—	(769)	—	(769)
Income recognised directly in equity	—	(769)	—	(769)
Loss for the period	—	—	(29,991)	(29,991)
Total income and expense recognized for the period	—	(769)	(29,991)	(30,760)
Balance as at 31 December 2007	2,536	(769)	(29,991)	(28,224)

8. Unaudited Condensed Interim Statement of Cash Flows

	Period ended 31 December 2007 $
Cash flow from operating activities	
Loss before tax	(29,991)
Changes in operating assets and liabilities	
Other current assets	(21,115)
Other liabilities	4,327
Net changes in operating assets and liabilities	(16,788)
Net cash used in operating activities	(46,779)
Cash flow from investing activities	
Advance to related parties	(2,514)
Proceeds from inter corporate borrowings	178,991
Net cash provided by investing activities	176,477
Cash flow from financing activities	
Proceeds from issue of Equity Shares	2,472
Debt Issue Cost	(123,636)
Net cash used in financing activities	(121,164)
Effects of exchange rate changes on cash	219
Cash and cash equivalents at the beginning of the period	—
Cash and cash equivalents at the end of the period	8,753
Cash and cash equivalents comprise	
Cash in hand	2,236
Balance with banks in current account	6,517
	8,753

9. Summary of Significant Accounting Policies

a. ***Overall Considerations***

The unaudited condensed interim financial information has been prepared on the accrual basis of accounting in accordance with the accounting and reporting requirements of IFRS to reflect the financial position, results of operation and cash flows of the OPGG. The unaudited condensed interim financial information has been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense, which are more fully described in the accounting policies below.

The unaudited condensed interim financial information has been prepared on a going concern basis, which assumes the realization of assets and satisfaction of liabilities in the normal course of business. The unaudited condensed interim financial information has been presented in United States Dollars ('$'), which is the reporting currency of OPGG.

The unaudited condensed interim financial information has been presented for the period from the date of incorporation on 26 April 2007 to 31 December 2007.

b. ***Foreign Currency Translation***

The functional currency of OPGG is the Indian Rupee ('INR' or 'Rs.'), the currency of the primary economic environment in which it operates. The reporting currency of OPGG is the US Dollar ('US$').

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of remaining balances at period-end exchange rates are recognised in the income statement under "other income" or "other expenses", respectively

The unaudited condensed interim financial information is reported in a currency different from OPGG's functional currency, Assets, liabilities and cash flows have been translated into US$ at the closing rate at the balance sheet date. Income and expenses have been converted at the average rates over the reporting period. The resulting translation adjustments are recorded under the currency translation reserve in equity.

Based on OPGG's current business model and accounting policies, management does not expect material impacts on its unaudited condensed interim financial information when the Standards become effective.

OPGG does not intend to apply any of these pronouncements early.

10. Other Current Assets

Other current assets comprise the following:

Particulars	*December 31, 2007*
	$
Deferred debt issue cost	126,806
Other receivables	21,656
Total	148,462

The debt issue cost represents the upfront and processing fee paid for raising of term loan with Punjab National Bank. These would be reduced from the debt proceeds on availment of term loan.

11. Shareholders' Equity

a. ***Share capital***

The authorized share capital of OPGG is Rs 500,000 divided into 100,000 equity shares of Rs 5 each.

OPGG presently has only one class of ordinary shares. For all matters submitted to vote in the shareholders meeting, every holder of ordinary shares, as reflected in the records of OPGG on the date of the shareholders' meeting, has one vote in respect of each share held. All shares are equally eligible to receive dividends and the repayment of capital in the event of liquidation of OPGG.

b. ***Retained earnings***

Retained earnings include current period results as disclosed in the income statement.

12. Related Party Transactions

Related parties with whom OPGG has transacted during the period

Key Management Personnel
Mr. Arvind Gupta
Mr Padmanabhan

Enterprises over which significant influence exercised by key management personnel/ directors
OPG Energy Private Limited
Tamil Nadu Property Developers Limited
OPG Agro Farms Limited
OPG Renewable Energy Private Limited
Delhi Steel Tubes Industries Limited
OPG Wind farms Private Limited
OPG Power Maharashtra Private Limited
Salem Food Products Limited

Summary of transactions with related parties during the period

Nature of transaction	*Period ended December 31, 2007*
Transactions with enterprises over which significant influence exercised by key management personnel/ directors.	*$*
Loan received	82,814
Amount receivable at the period end	(84,937)

13. Financial Assets

Other current assets include debt issue expenses and deposits & advances receivable in cash or kind.

The directors consider that the carrying amount of receivables approximates their fair value.

Credit and Liquidity risk

The credit and liquidity risk of OPGG have not been assessed as the operations have not commenced.

14. Financial Liabilities

Financial liabilities principally comprise amounts outstanding for inter corporate loans and Bank Overdraft.

The directors consider that the carrying amount of payables approximates their fair value.

15. Risk Management Objectives And Policies

OPGG has not defined its risk management objectives and policies. The directors are of the view of that the risk management objectives and policies shall be defined on commencement of the operations.

PART VI

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

Set out below is an unaudited pro forma statement of net assets of the Group which has been prepared under IFRS to demonstrate the effect of the group re-organisation and the Placing of the New Ordinary Shares as if they had occurred at 31 December 2007. The Pro forma statement has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore may not give a true picture of the financial position of the Group. The unaudited pro forma statement has been prepared on the basis set out in the notes below.

OPGPV Group
Unaudited pro forma statement of net assets

	OPGPV at 31 March 2008 $	*OPGE at 31.12.07 $*	*OPGPG at 31.12.07 $*	*OPGRE at 31.12.07 $*	*OPGG at 31.12.07 $*	*Adjustments Note 6 $*	*Adjustments Note 7 $*	*Adjustments Note 8 $*	*Proforma $*
ASSETS									
Current									
Inventories	—	194,106	—	—	8,753	—	—	—	202,859
Trade receivables	—	247,908	—	—	—	—	—	—	247,908
Cash and cash equivalents	38,090	912,752	296,025	1,219	—	130,640,000	341,065	—	132,229,151
Restricted cash	—	458,121	—	—	—	—	—	—	458,121
Advances to related parties	—	2,378,056	—	253,582	2,579	—	—	(253,582)	2,380,635
Current tax assets, net of liabilities	—	43,493	—	—	—	—	—	—	43,493
Other current assets	11,760	484,463	325,997	—	148,462	—	—	—	970,682
Total current assets	49,850	4,718,899	622,022	254,801	159,794	130,640,000	341,065	(253,582)	136,532,849
Non current									
Investments	—	—	—	—	—	—	94,106,183	(94,106,183)	—
Intangible assets	—	—	—	—	—	—	—	656,473	656,473
Property, plant and equipment	—	12,927,419	54,178	—	—	—	—	—	12,981,597
Prepaid Rent	—	—	173,763	—	—	—	—	—	173,763
Lease deposit	—	—	1,937,337	—	—	—	—	—	1,937,337
Capital advances	—	—	7,752,064	—	—	—	—	—	7,752,064
Available for sale investments	—	286,991	—	—	—	—	—	—	286,991
Restricted cash	—	—	2,536	—	—	—	—	—	2,536
Total non current assets	—	13,214,410	9,919,878	—	—	—	94,106,183	(93,449,710)	23,790,761
Total assets	49,850	17,933,309	10,541,900	254,801	159,794	130,640,000	94,447,248	(93,703,292)	160,323,610
LIABILITIES AND SHAREHOLDERS' EQUITY									
Current liabilities									
Trade and other payables	—	1,111,336	53,573	—	—	—	—	—	1,164,909
Bank overdraft	—	—	572,173	—	—	—	—	—	572,173
Other liabilities	—	1,037,589	8,891,545	253,909	4,437		—	(253,582)	9,933,898
Inter Corporate Borrowings	—	621,632	1,995,866	—	183,581	—	—	—	2,801,079
Payable to share holders	—	2,353,240	—	—	—	—	—	—	2,353,240
Borrowings	—	2,659,476	—	—	—	—	—	—	2,659,476
Total current liabilities	—	7,783,273	11,513,157	253,909	188,018		—	(253,582)	19,484,775
Non current liabilities									
Borrowings	—	6,875,693	5,314	—	—	—	—	—	6,881,007
Deferred tax liability	—	554,740	—	—	—	—	—	—	554,740
Total non current liabilities	—	7,430,433	5,314	—	—	—	—	—	7,435,747
Total liabilities	—	15,213,706	11,518,471	253,909	188,018		—	(253,582)	26,920,522
Net assets/(liabilities)	49,850	2,719,603	(976,571)	892	(28,224)	130,640,000	94,447,248	(93,449,710)	133,403,088
Of which:									
Attributable to equity shareholders	49,850	1,190,582	(966,805)	294	(27,942)	130,640,000	93,253,033	(93,449,710)	130,689,302
Minority interests	—	1,529,021	(9,766)	598	(282)	—	1,194,215	—	2,713,786
	49,850	2,719,603	(976,571)	892	(28,224)	130,640,000	94,447,248	(93,449,710)	133,403,088

Notes:

1. The financial information in respect of the Company at 31 March 2008 has been extracted from the historical financial information as at 31 March 2008, as set out in Part IV A of this document translated at an exchange rate of £0.5015 = $1, being the exchange rate at 31 March 2008.

2. The financial information in respect of OPGE at 31 December 2007 has been extracted from the unaudited condensed interim financial information as at 31 December 2007, as set out in Part V A of this document.

3. The financial information in respect of OPGPG at 31 December 2007 has been extracted from the unaudited condensed interim financial information as at 31 December 2007, as set out in Part V B of this document.

4. The financial information in respect of OPGRE at 31 December 2007 has been extracted from the unaudited condensed interim financial information as at 31 December 2007, as set out in Part V C of this document.

5. The financial information in respect of OPGG at 31 December 2007 has been extracted from the unaudited condensed interim financial information as at 31 December 2007, as set out in Part V D of this document.

6. The adjustments in the column entitled 'Note 6' represent funds raised as follows:

   – pre-Admission funds of $10,000,000 as set out in Paragraph 6.1 of Part VII of this document

   – net placing proceeds of $61.6 million (being $61,551,020) as set out on page 3 of this document translated at an exchange rate of £1=$1.96, being the exchange rate at 22 May 2008 used in determining the placing proceeds

7. The adjustments in the column entitled 'Note 7' represent the issue of shares as part of the reorganisation outlined in Paragraph 5 of Part VII of this document as follows:

   – completed share allotments of each of the Operating companies, translated at INR 39.43 = £1, being the exchange rate at 31 December 2007, the balance sheet date of the financial information of the Operating companies

   – share subscriptions (conditional upon Admission) as set out in Paragraph 5 of Part VII of this document, translated at INR 39.43 = £1 where applicable, being the exchange rate at 31 December 2007, the balance sheet date of the financial information of the Operating companies

8. The adjustments in the column entitled 'Note 8' represent pro forma aggregation adjustments as follows:

   – the elimination of inter-company receivable and payable balances between OPGRE and OPGE

   – adjustments to reflect the aggregated net asset position based on the Group structure outlined in Part I of this document, reflecting elimination of investments arising on acquisition of, or subscription for, shares in the Operating companies, and recognition of intangible assets. The intangible assets have not been separately indentified and no fair value adjustments have been made in respect of the acquisition of shares in the Operating companies

9. The pro forma financial information does not constitute statutory accounts within the meaning of section 240 of the CA 1985

10. Apart from the above, no adjustments have been made to reflect any trading, changes in working capital or other movements since 31 December 2007 for OPGE, OPGPG, OPGRE and OPGG or 31 March 2008 for OPGPV.

11. The pro forma financial information aggregates the net assets of OPGPV and its subsidiary undertakings, OPGE, OPGPG, OPGRE and OPGG, on the basis that OPGPV has the ability to control the financial and operating policies of all of these entities. OPGPV obtains and exercises control through majority voting rights. In relation to OPGE and OPGRE, majority voting rights have been obtained via voting agreements as set out in paragraph 16 of Part VII of this document.

PART VII

ADDITIONAL INFORMATION

1 Responsibility

The Directors, each of whose names appear on page 4 of this document, and the Company accept responsibility for the information contained in this document including individual and collective responsibility for the Company's compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (each of whom have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 The Group

2.1 The Company was incorporated on 17 January 2008 in the Isle of Man and is registered under the IOM CA 2006 as a public company limited by shares with registered number 002198V.

2.2 The Company is obliged to comply with the IOM CA 2006 and also with specific obligations arising from other laws of the Isle of Man and those that relate to its activities in the various regions that it operates.

2.3 The Ordinary Shares have been created under the IOM CA 2006.

2.4 The liability of the Company's members is limited.

2.5 The Company's registered office is at 22 Athol Street, Douglas, Isle of Man IM1 1JA. The principal place of business of the Group is as set out above in Part I of this document.

2.6 Save for its entry into certain of the material contracts summarised in paragraph 14 of this Part VII and certain non-material contracts, the Company has not, since its incorporation, carried on business nor incurred borrowings or liabilities.

2.7 Details of the Group are set out herein:

Name	*Country of incorporation*	*Activity*	*Shareholder structure*[5]
Gita Energy[1]	Cyprus	Investment	100 per cent. (indirectly)[3]
Gita Holdings[2]	Cyprus	Investment	100 per cent. (indirectly)[4]
OPGPG	India	Power Generation	Gita Energy and Gita Holdings will hold 35 per cent. each of the voting rights and an economic interest of 49.5 per cent. each
OPGG	India	Power Generation	Gita Energy and Gita Holdings will hold 35 per cent. each of the voting rights and an economic interest of 49.5 per cent. each
OPGRE	India	Power Generation	Gita Energy and Gita Holdings are able to exercise up to 66 per cent. each of the voting rights and an economic interest of 16.5 per cent. each
OPGE	India	Power Generation	OPGPG is able to exercise up to 66 per cent. of the voting rights and has an economic interest of 44 per cent.

[1] Currently registered as Stiltofa Investments Limited. A change of name resolution was passed on 20 February 2008 and filed with the Registrar of Companies. The name will change once the certificate is received.

[2] Currently registered as Storili Investments Limited. A change of name resolution passed on 20 February 2008 and filed with the Registrar of Companies. The name will change once the certificate is received.

[3] Gita Holdings holds 1,000 shares in Gita Energy on trust for the Company.

[4] Arvind Gupta holds 1,000 shares in Gita Holdings on trust for the Company.

[5] Further details of the voting arrangements are set out in paragraph 16 of this Part VII.

2.8 Save as referred to in the paragraphs above, the Company does not hold any shares or other securities in the capital of any company and is not otherwise part of a group of companies.

3 Directors

The Directors of the Company are:

Name	*Previous Name*	*Age*
Mr. M.C. Gupta	None	69
Mr. Martin Gatto	None	58
Mr. Ravi Gupta	None	51
Mr. Arvind Gupta	None	47
Mr. V. Narayan Swami	None	57
Mr. Patrick Michael Grasby	None	65

The executive Directors were appointed to the Board on 31 January 2008 and the non-executive Directors were appointed to the Board on 6 May 2008 save for Mr Ravi Gupta who was appointed on 12 May 2008.

Further information relating to the Directors is set out in paragraph 10 below.

4 Share capital

4.1 The IOM CA 2006 does not prescribe that a company shall have an authorised share capital. Rather, subject to the IOM CA 2006 and to the memorandum and articles of association, shares in a company may be issued at such times and to such persons, for such consideration and on such terms as its directors may determine.

4.2 The Company currently has only one class of share. At the date of this document, the issued share capital of the Company is 2,500,000 Ordinary Shares. The Ordinary Shares have been created under the IOM CA 2006 and in accordance with the Articles. The Ordinary Shares are denominated in pounds Sterling.

4.3 At the date of this document, the Company has two shareholders, Gita Power and Gita Investments who hold 250,000 Ordinary Shares and 2,250,000 Ordinary Shares respectively.

4.4 By a resolution passed on 22 May 2008, the Articles (as adopted) provide that the Directors' ability to allot Ordinary Shares shall be limited to the allotment of Ordinary Shares in connection with the Placing and such additional number of Ordinary Shares as represents 15 per cent. of the Enlarged Share Capital in each financial year following Admission (save where the Company's shareholders otherwise agree).

4.5 108,418,367 Ordinary Shares are to be allotted and issued pursuant to the Placing. By a resolution of the Board dated 22 May 2008, it was resolved (i) to divide the current issued share capital of 2,500,000 Ordinary Shares into 170,000,000 Ordinary Shares and (ii) to allot 68,027 Ordinary Shares, in each case conditional upon Admission. Admission is expected to take place on 30 May 2008.

4.6 The issued fully paid up share capital of the Company as at the date of this document and as it will be immediately following Admission is set out below:

	Issued and fully paid up	
	Number	*Nominal Value*
As at the date of this document		
Ordinary Shares	2,500,000	£25,000
As at Admission		
Ordinary Shares	286,989,795	£42,187

4.7 The nominal value of each Ordinary Share is £0.01.

4.8 The Ordinary Shares shall have the rights and be subject to the restrictions referred to in paragraph 8 of this Part VII.

4.9 On Admission, the Company will not have any Ordinary Shares in issue or under option save for the Ordinary Shares to be subscribed pursuant to the Placing and those Ordinary Shares referred to in paragraph 4.6 above. In addition, the Company will not have in issue any securities not representing share capital or any outstanding convertible securities.

4.10 The Ordinary Shares to be issued under the Placing will on Admission rank *pari passu* in all respects with the existing Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid after the date of this document. The Ordinary Shares to be issued under the Placing will be freely transferable in accordance with the Articles.

4.11 The Ordinary Shares will be in registered form and capable of being held in uncertificated form. Application has been made for the Ordinary Shares to be admitted to CREST with effect from Admission. No temporary documents of title will be issued. It is expected that definitive certificates will be posted to those Shareholders, who are to receive their Ordinary Shares in certificated form, by 7 June 2008. The Articles permit the holding of Ordinary Shares in CREST.

4.12 Save as disclosed in this document, there are no shares held by or on behalf of the Company in itself or by any other member of the Group in the Company.

4.13 Save as disclosed in this document, no person has any acquisition right over, and the Company has incurred no obligation over, the Company's unissued share capital or given any undertaking to increase the Company's share capital.

4.14 Save as disclosed in this Part VII:

(a) no share or loan capital of the Company has been issued or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;

(b) no unissued share or loan capital of the Company or of any of its Subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(c) no commission, discount, brokerage or any other special term has been granted by the Company or any of its Subsidiaries or is now proposed in connection with the issue or sale of any part of the share or loan capital of the Company or any of its Subsidiaries;

(d) no fee and no founder, management or deferred shares have been issued by the Company; and

(e) there has been no change in the amount of the issued share capital of the Company and no material change in the amount of the issued share capital of any of its Subsidiaries.

4.15 Isle of Man law does not include pre-emption protection similar to the protection afforded by section 89(1) of the UK CA 1985. However, pre-emptive protection has been imposed upon the Directors pursuant to the shareholder resolution referred to in paragraph 4.4 above and the Directors propose to adopt an annual resolution in respect of the Company's ability to allot Ordinary Shares on a non-preemptive basis.

5 Reorganisation

Prior to Admission it was agreed that the share capital of each of OPGE, OPGG, OPGPG and OPGRE (the "Operating Companies") would be reorganised in order to establish the legal structure of the Group to reflect that set out in paragraph 2.7 above (the "Share Reorganisation") and as also shown in the Group structure diagram set out on page 15 of Part I. As at the date of this document the Share Reorganisation has involved a series of share allotments by the Company and each of the Operating Companies and also a number of share transfers amongst shareholders of the Operating Companies.

The Share Reorganisation shall be fully implemented upon Admission when the final agreements, being the Cypriot Subscription Letters and the Tamil Nadu Subscription Letter (as defined below) shall become unconditional upon which the Group structure set out in paragraph 2.7 above and as also shown in the Group structure diagram set out on page 15 of Part I shall come into effect. The Share Reorganisation

was carried out in conjunction with the Group's legal and financial advisers and in addition to the matters highlighted above involved the Company obtaining legal and financial advice as to the validity and enforceability of all material agreements entered into as part of the Share Reorganisation.

Gita Energy has agreed to subscribe and OPGRE has (conditional only upon Admission) agreed to allot 109,800 B shares in OPGRE pursuant to a subscription letter entered into on 21 May 2008, for an aggregate amount of INR1,098,000.

Gita Holdings has agreed to subscribe and OPGRE has (conditional only upon Admission) agreed to allot 109,800 B shares in OPGRE pursuant to a subscription letter entered into on 21 May 2008, for an aggregate amount of INR1,098,000.

Gita Energy has agreed to subscribe and OPGPG has (conditional only upon Admission) agreed to allot 4,486,670 B shares in OPGPG pursuant to a subscription letter entered into on 21 May 2008, for an aggregate amount of $9,000,000.

Gita Holdings has agreed to subscribe and OPGPG has (conditional only upon Admission) agreed to allot 4,486,670 B shares in OPGPG pursuant to a subscription letter entered into on 21 May 2008, for an aggregate amount of $9,000,000.

Gita Energy has agreed to subscribe and OPGG has (conditional only upon Admission) agreed to allot 15,745,000 B shares in OPGG pursuant to a subscription letter entered into on 21 May, for an aggregate amount of $38,000,000.

Gita Holdings has agreed to subscribe and OPGG has (conditional only upon Admission) agreed to allot 15,745,000 B shares in OPGG pursuant to a subscription letter entered into on 21 May 2008, for an aggregate amount of $38,000,000.

(The above letters when taken together are the "Cypriot Subscription Letters".)

Tamil Nadu has agreed to subscribe and OPGRE has (conditional only upon Admission) agreed to allot 400 B shares in OPGRE pursuant to a subscription letter entered into on 21 May 2008, for a subscription price of INR 4,000 (the "Tamil Nadu Subscription Letter").

6 Pre-Admission funds

6.1 The following companies have invested in the Company prior to Admission at the Placing Price (the "Pre-IPO Monies") as set out below:

Company	*Amount invested ($)*	*OPG Group company in which the investment was made*
Sri Hari Vallabhaa Enterprises & Investments Private Limited ("Sri Hari")	4,000,000	OPG
Sri Dhanvarsha Enterprises & Investments Private Limited ("Dhanvarsha Enterprises")	3,000,000	OPG
Goodfaith Vinimay Private Limited ("Goodfaith Vinimay")	3,000,000	OPG

On 26 April 2008, each of Sri Hari, Dhanvarsha Enterprises and Goodfaith Vinimay (the "Pre-IPO Investors") signed a subscription letter setting out the terms on which the monies were being advanced to the Company in consideration for the proposed allotment of Ordinary Shares. Arvind Gupta (and the Gupta family) has an interest in each of the Pre-IPO Investors.

Although the Pre-IPO Monies were paid to the Company the allotment of shares to each of the Pre-IPO Investors will take place on Admission at the Placing Price.

Upon receipt of the Pre-IPO Monies, the Company invested the Pre-IPO Monies into the Cypriot Subsidiaries who in turn invested the money into OPGPG where the Pre-IPO Monies will be used by OPGPG to repay the share application money which it has received so far to bring the project to the present state of development.

The Pre-IPO Monies will be used by OPGPG to repay the following companies who advanced monies to OPGPG which OPGPG used to fund the construction costs of the plant at Tamil Nadu:

	Amount loaned (Rs.)
Sri Hari	111,100,000
Dhanvarsha Enterprises	10,000,000
Goodfaith Vinimay	25,750,000
OPG Power Maharastra P Ltd	259,800,000

The amounts repaid may exceed the Pre-IPO Monies due to exchange rate fluctations between the time of investment and time of repayment.

6.2 On 27 February 2008, Shriram EPC advanced approximately Rs. 100 million (approximately $2.5 million) to OPGPG in consideration for the proposed allotment of redeemable cumulative preference shares in OPGPG. Such shares will be redeemable in 2018 and carry a dividend entitlement of 12 per cent. per annum. The creation and issue of this new class of shares in OPGPG will not affect the economic/voting rights of the other equity shareholders.

7 Economic and voting rights

Each of the Group companies have different classes of shares, and these carry different rights in terms of voting rights and rights as to dividends as set out below:

	Class A		*Class B*		*Class C*	
	Voting rights	*Rights as to dividends*	*Voting rights*	*Rights as to dividends*	*Voting rights*	*Rights as to dividends*
OPGE	One vote per share	0.5 per cent. of the economic interest	One vote per share	99 per cent. of the economic interest	Nil	0.5 per cent. of the economic interest
OPGPG	One vote per share	1 per cent. of the economic interest	One vote per share	99 per cent. of the economic interest	N/A	N/A
OPGG	One vote per share	1 per cent. of the economic interest	One vote per share	99 per cent. of the economic interest	N/A	N/A
OPGRE	One vote per share	1 per cent. of the economic interest	One vote per share	99 per cent. of the economic interest	N/A	N/A

The respective percentage rights as to dividends above represent the entitlement of the particular class in aggregate and not per shareholder.

8 Summary of the Articles of Association

The Articles were adopted pursuant to a board resolution of the Company passed on 22 May 2008 and contain (among others) provisions to the following effect:

8.1 *Issue and allotment of shares*

Subject to the provisions of the IOM CA 2006 and to any special rights for the time being attached to any existing shares, any shares may be allotted and issued which have attached to them such preferred, deferred or other special rights or restrictions as the Company may, from time to time, by special resolution, determine or, if no such resolution has been passed or so far as the resolution

does not make specific provision, as the Board may determine. Subject to the provisions of the Companies Act and to any special rights for the time being attached to any existing shares, any share may be issued which is, or is at the option of the Company or the holder of such share, liable to be redeemed. The exercise of any authority to allot shares shall only be exercised by a majority of Directors that are resident outside the United Kingdom.

8.2 *Voting rights*

Subject to the provisions of the IOM CA 2006 and any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not, being himself a member entitled to vote, shall have one vote, and on a poll every member shall have one vote for every Ordinary Share of which he is the holder. In the case of an equality of votes, the chairman of the meeting has a casting vote in addition to any other vote he may have. Unless the Board otherwise determines, no member shall attend or vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company or upon a poll, either in person or by proxy, in respect of any share held by him or exercise any other right or privilege conferred by membership in relation to any such meeting or poll unless all moneys presently payable by him in respect of that share have been paid.

8.3 *General meetings*

The first annual general meeting shall be held at such time and place as the Board may determine but in any event within 18 months of its incorporation. After the first annual general meeting, annual general meetings shall be held at least once in every calendar year.

All general meetings other than annual general meetings shall be called extraordinary general meetings.

The Board may convene an extraordinary general meeting whenever it thinks fit at such time and place as it shall determine. At any meeting convened on such requisition (or any meeting requisitioned pursuant to Section 67(2) of the IOM CA 1931), no business shall be transacted except that stated by the requisition or proposed by the Board. If there are not within the Isle of Man sufficient members of the Board to convene a general meeting, any Director or any member of the Company may call a general meeting.

An annual general meeting and an extraordinary general meeting convened (anywhere in the world other than the United Kingdom) for the passing of a special resolution or a resolution appointing a person as a director shall be convened by not less than 21 clear days' notice in writing. Other extraordinary general meetings shall be convened at a meeting place anywhere in the world other than the United Kingdom by not less than 14 clear days' notice in writing.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a chairman, which shall not be treated as part of the business of the meeting. Subject to the provisions of the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a member present in person or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum. If within five minutes (or such longer interval not exceeding 30 minutes as the chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such time and place as the chairman (or, in default, the Board) may determine. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, one member present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum. If no such quorum is present or if, during the adjourned meeting, a quorum ceases to be present, the adjourned meeting shall be dissolved. The Company shall give at least seven clear days' notice of any meeting adjourned through lack of a quorum (where such meeting is adjourned to a day being not less than 14 nor more than 28 days thereafter).

8.4 *Dividends*

The Company may by resolution of the Directors, declare and pay a dividend (including an interim dividend) to members at such time and of such amount as the Directors think fit, if the Directors are satisfied, on reasonable grounds, that the Company will, immediately after payment of the dividend, satisfy the solvency test. However, no dividend shall exceed the amount recommended by the Board.

The Board shall announce any dividends (including interim dividends) on Ordinary Shares in pounds Sterling (or such other currency as it shall determine from time to time) in accordance with the Articles. The Board may at its discretion make provisions to enable a member to receive (or elect to receive) dividends payable in a currency or currencies other than pounds Sterling. Where a member wishes to be paid dividends in another currency, he shall notify the Company in writing of the same at least 30 days before the date on which the Board publicly announces its intention to recommend that specific dividend, which notice shall specify the number of Ordinary Shares held by the member and whether the notice is in respect of a particular dividend or all future dividends.

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. All dividends shall be apportioned and paid *pro rata* according to the amounts paid up or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, or be entitled to dividends declared after a particular date, it shall rank for or be entitled to dividends accordingly. All dividends shall be paid (subject to any lien of the Company) to those members whose names shall be on the register at the date at which such dividend shall be declared or at such other date as the Company by resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of shares.

8.5 *Distribution of assets on winding-up*

If the Company is wound up, the surplus assets remaining after payment of all creditors are to be divided among the members in proportion to the capital which at the commencement of the winding-up is paid up on the shares held by them, respectively, and, if such surplus assets are insufficient to repay the whole of the paid-up capital, they are to be distributed so that, as nearly as may be, the losses are borne by the members in proportion to the capital paid up at the commencement of the winding-up on the shares held by them, respectively, subject to the rights attached to any shares which may be issued on special terms or conditions.

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the members *in specie* the whole or any part of the assets of the Company and may for that purpose value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members but if any division is resolved otherwise than in accordance with such rights the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to Section 222 of the IOM CA 1931. The liquidator may, with the like sanction, vest the whole or any part of the whole of the assets in trustees on such trusts for the benefit of the members as he, with the like sanction, shall determine but no member shall be compelled to accept any assets on which there is a liability.

A special resolution sanctioning a transfer or sale to another company duly passed pursuant to Section 222 of the IOM CA 1931 may, in the like manner, authorise the distribution of any shares or other consideration receivable by the liquidator among the members otherwise than in accordance with their existing rights and any such determination shall be binding on all the members, subject to the right of dissent and consequential rights conferred by the said section.

8.6 *Variation of rights*

Subject to the provisions of the IOM CA 2006, if at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to

be in liquidation) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in par value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in the Articles. Subject to the terms on which any shares may be issued, the rights or privileges attached to any class of shares shall be deemed to be varied or abrogated by the reduction of the capital paid up on such shares or by the allotment of further shares ranking in priority for the payment of a dividend or in respect of capital or howsoever or which confer on the holders voting rights more favourable than those conferred by such first-mentioned shares but shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued or by the purchase or redemption by the Company of its own shares or the Company permitting, in accordance with the CREST Regulations, the holding of and transfer of title to shares of that or any other class in uncertificated form by means of a relevant system in accordance with the provisions of the IOM CA 2006 and the Articles.

8.7 *Uncertificated shares*

Subject to the CREST Regulations, the Board may permit any class or classes of shares to be held and transferred in uncertificated form by means of a relevant system (i.e. CREST) and may determine that any class of shares shall cease to be held and transferred in this way.

8.8 *Form and transfer of shares*

Each member may transfer all or any of his shares in the case of certificated shares by instrument of transfer in writing in any usual form or in any form approved by the Board or in the case of uncertificated shares without a written instrument in accordance with the Uncertificated Regulations. Any written instrument shall be executed by or on behalf of the transferor, shall contain the name and business or residential address of the transferee and (in the case of a transfer of a share which is not fully paid up) shall be executed by or on behalf of the transferee.

The Board may refuse to register any transfer of a certificated share unless:

8.8.1 it is in respect of a share which is fully paid up;

8.8.2 it is in respect of a share on which the Company has no lien;

8.8.3 it is in respect of only one class of shares;

8.8.4 it is in favour of a single transferee or not more than four joint transferees;

8.8.5 the holding of such share would not result in a regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company or its Shareholders as a whole including, but not limited to, where such a disadvantage would arise out of the transfer of any share to a Prohibited Person (as hereinafter defined); and

8.8.6 it is delivered for registration to the Registered Agent, or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer where a certificate has not been required to be issued) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or if the transfer is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board's discretion may not be exercised in such a way as to prevent dealings in the shares from taking place on an open and proper basis.

The Board shall refuse to register any transfer of shares which is: (a) not made (i) in accordance with Regulation S; (ii) pursuant to registration under the US Securities Act; or (iii) pursuant to an available exemption from registration under the US Securities Act; or

(b) made by "qualified purchasers" (as defined in the Investment Company Act) to "US persons" (as defined in Regulation S) who are not "qualified purchasers"; or (c) made to a "Prohibited Person".

The registration of transfers of shares or of any class of shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Board may from time to time determine (subject to the CREST Regulations in the case of any shares of a class which is a Participating Security as defined below).

The Board shall register a transfer of title to any uncertificated share or the renunciation or transfer of any renounceable right of allotment of a share which is a share or class of shares or a renounceable right of allotment of a share title to which is permitted to be transferred by means of a relevant uncertificated system in accordance with the CREST Regulations (a "Participating Security"), held in uncertificated form in accordance with the CREST Regulations, except that the Board may refuse (subject to any relevant requirements applicable to the recognised investment exchange(s) to which the shares of the Company are admitted), to register any such transfer or renunciation which is in favour of more than four persons jointly or in any other circumstance permitted by the CREST Regulations or the Board in its absolute discretion believes that the Company or its Shareholders as a whole may suffer a regulatory, pecuniary, legal, taxation or material administrative disadvantage, including such disadvantage as would arise out of the transfer of any share to a Prohibited Person.

8.9 *Compulsory transfer of shares*

If it shall come to the notice of the Board that any shares:

8.9.1 are or may be owned or held directly or beneficially by any person in breach of any law or requirement of any country or by virtue of which such person is not qualified to own those shares and, in the sole and conclusive determination of the Board, such ownership or holding or continued ownership or holding of those shares (whether on its own or in conjunction with any other circumstance appearing to the Board to be relevant) would, in the reasonable opinion of the Board, cause a pecuniary or tax disadvantage to the Company or any other holder of shares or other securities of the Company which it or they might not otherwise have suffered or incurred; or

8.9.2 are or may be owned or held directly or beneficially by any person that is an employee benefit plan subject to Title I of ERISA, or other plan subject to Section 4975 of the US Code, as amended, and in the opinion of the Board the assets of the Company may be considered "plan assets" within the meaning of Section 3(42) of ERISA; or

8.9.3 are or may be owned or held directly or beneficially by any person to whom a transfer of shares or whose ownership or holding of any shares might in the opinion of the Board require registration of the Company as an investment company under the Investment Company Act; or

8.9.4 are or may be owned or held directly or beneficially by any "United States Person" (as defined in Section 957(c) of the US Code, as amended) and such person's shareholding amounts to 10 per cent, or more of the shares, unless otherwise approved by the Board,

(collectively, a "Prohibited Person"), the Board may serve written notice (hereinafter called a "Transfer Notice") upon the person (or any one of such persons whose shares are registered in joint names) appearing in the register as the holder (the "Vendor") of any of the shares concerned (the "Prohibited Shares") requiring the Vendor within ten days (or such extended time as in all the circumstances the Board considers reasonable) to transfer (and/or procure the disposal of interests in) the Prohibited Shares to another person who, in the sole and conclusive determination of the Board, would not fall within paragraph 9.9.1 to 9.9.4 above (such person being hereinafter called an "Eligible Transferee"). On and after the date of such Transfer Notice, and until registration of a transfer of the Prohibited Shares to which it relates, the rights and privileges attaching to the Prohibited Shares will be suspended and not capable of exercise.

If within 10 days after the giving of a Transfer Notice (or such extended time as in the circumstances the Board considers reasonable) the Transfer Notice has not been complied with to the satisfaction of the Board, the Company may sell the Prohibited Shares on behalf of the holder thereof by instructing a London Stock Exchange member firm to sell them at the best price reasonably obtainable at the time of sale to any one or more Eligible Transferees. The net proceeds of the sale of the Prohibited Shares, after payment of the Company's costs of the sale, shall be paid by the Company to the Vendor or, if reasonable enquiries have failed to establish the location of the Vendor, into a trust account at a bank designated by the Company, the associated costs of which shall be borne by such trust account.

A person who becomes aware that he is, or is likely to be, a Prohibited Person, shall forthwith, unless he has already received a Transfer Notice, either transfer the shares to one or more Eligible Transferee or give a request in writing to the Board for the issue of a Transfer Notice. Every such request shall, in the case of certificated shares, be accompanied by the certificate(s) for the shares to which it relates.

The Board may, at any time and from time to time, call upon any holder of shares by notice in writing to provide such information and evidence as they require upon any matter connected with or in relation to such holders of shares. In the event of such information and evidence not being so provided within such reasonable period (not being less than 10 clear days after service of the notice requiring the same) as may be specified by the Board in the said notice, the Board may, in its absolute discretion, treat any share held by such a holder or person who is automatically entitled to the shares by transmission or by law as being held in such a way as to entitle them to service a Transfer Notice in respect thereof.

The Board will not be required to give any reasons for any decision, determination or declaration taken or made in accordance with these provisions.

8.10 *Amendment to Memorandum and Articles*

The Shareholders may amend the memorandum of association and Articles of the Company by special resolution.

8.11 *Pre-emption rights*

The IOM CA 2006 provides that the statutory rights of pre-emption set forth in Section 36 of the said IOM CA 2006 shall only apply where the memorandum or articles of the company expressly provide that such section shall apply to the company, but not otherwise. The memorandum and Articles of the company do not provide that the statutory rights of pre-emption apply to the Company, nor do they confer any equivalent or similar rights on existing holders of Ordinary Shares. Accordingly, in the event that new Ordinary Shares are issued by the Company, the Company is not required to offer such shares on a *pro rata* basis to existing holders of Ordinary Shares.

8.12 *Disclosure of interests and suspension of interests*

A person must notify the Company of the percentage of its voting rights if, at the date on which the Articles come into force, the percentage of voting rights which he holds as shareholder or through his direct or indirect holding of "qualifying financial instruments" (as such term is defined in Disclosure Rules 5.3.2R) (or a combination of such holdings) has reached or exceeded three per cent., four per cent., five per cent., six per cent., seven per cent., eight per cent., nine per cent, or 10 per cent.

A person must notify the Company of the percentage of its voting rights if, at any time after the date on which the Articles come into force, the percentage of voting rights which he holds as shareholder or through his direct or indirect holding of qualifying financial instruments (or a combination of such holdings):

8.12.1 reaches, exceeds or falls below three per cent, and each one per cent, threshold thereafter up to 100 per cent, as a result of an acquisition or disposal of shares or qualifying financial instruments; or

8.12.2 reaches, exceeds or falls below an applicable threshold in 8.12.1 above as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company.

The Company must, at the end of each calendar month during which an increase or decrease has occurred, disclose to the public the total number of voting rights and capital in respect of each class of share which it issues.

A notification shall include the following information:

8.12.3 (on the date on which the Articles come into force) the percentage of voting rights held, or (at any time after the date on which the Articles comes into force) the resulting situation in terms of voting rights and the date on which the relevant threshold was reached or crossed;

8.12.4 if applicable, the chain of controlled undertakings through which voting rights are effectively held;

8.12.5 so far as known, the identity of the shareholder, even if that shareholder is not entitled to exercise voting rights and of the person entitled to exercise voting rights on behalf of that shareholder;

8.12.6 the price, amount and class of shares concerned;

8.12.7 in the case of a holding of qualifying financial instruments:

(a) the detailed nature of the qualifying financial instruments;

(b) or the instruments with an exercise period, an indication of the date or time period where shares will or can be acquired, if applicable;

(c) the date of maturity or expiration of the instrument;

(d) the identity of the holder;

(e) the name of the underlying company; and

(f) any other information required by the Company.

An obligation to give a notice to the Company shall be fulfilled forthwith and without delay.

The Company must, on receipt of a notification, as soon as possible and in any event by not later than the end of the third working day following receipt of the notification, deliver an announcement detailing all the information contained in the notification to a Regulatory Information Service for distribution to the public.

The Directors have a duty, under the Articles, to keep a register of substantial interests.

The Board may, at any time, serve a notice (an "Information Notice") upon a Shareholder requiring the member to disclose to the Board in writing within such period (being no less than ten days and not more than 30 days) as may be specified in the notice, information relating to any beneficial interest of any third party or any other interest of any kind whatsoever which a third party may have in relation to any or all shares registered in the member's name. If a Shareholder has been issued with an Information Notice and has failed in relation to any shares the subject of the Information Notice ("relevant shares") to furnish any information required by such notice within the time period specified therein, then the Board may, at any time following 14 days from the expiry of the date on which the information required to be furnished pursuant to the relevant Information Notice is due to be received by the Board, serve on the relevant holder a notice (in this paragraph called a "disenfranchisement notice"). The shareholder shall not with effect from the service of the disenfranchisement notice be entitled in respect of the relevant shares to be present or to vote (either in person or by representative or proxy) at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll.

8.13 *Dividends and transfers*

Where the relevant shares represent at least 0.25 per cent, in nominal value of their class:

8.13.1 any dividend or other money payable in respect of the relevant shares shall be withheld by the Company, which shall not have any obligation to pay interest on it and the member shall not be entitled to elect pursuant to the Articles to receive shares instead of that dividend; and

8.13.2 subject in the case of uncertificated shares to the CREST Regulations, no transfer, other than an approved transfer, of any relevant shares held by the member shall be registered unless the member is not himself in default as regards supplying the information required pursuant to the relevant Information Notice and the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

8.14 *Alteration of share capital*

The Company in general meeting may, from time to time by resolution:

8.14.1 consolidate and/or divide all or any of its share capital (whether issued or not) into shares of larger or smaller par value, or into shares with a par value denominated in another currency, or into different classes of shares, than its existing shares;

8.14.2 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; and

8.14.3 sub-divide its shares or any of them into shares of smaller par value.

Subject to the provisions of the IOM CA 2006 and to any rights for the time being attached to any shares, the Company may, by resolution, reduce its share capital, in any manner, provided that the Directors are satisfied, on reasonable grounds, that the Company will, immediately after such reduction, satisfy the solvency test.

8.15 *Purchase of own shares*

The Company may only purchase or acquire shares issued by the Company:

8.15.1 pursuant to an offer to all members which, if accepted, would leave the relative rights of the Shareholders unaffected and which affords each Shareholder a period of not less than 14 days within which to accept the offer; or

8.15.2 pursuant to an offer to one or more members to which all members have consented in writing; or

8.15.3 in the open market pursuant to an offer or offers to which all members have consented in writing or the Shareholders have approved by special resolution in general meeting, provided that:

8.15.3.1 any such authority shall grant a general mandate to the Directors to exercise all of the powers of the Company to repurchase shares up to such maximum number of Ordinary Shares as the Shareholders may so authorise, with such mandate continuing in force until the earlier of:

(a) the conclusion of the Company's first annual general meeting following the passing of the special resolution approving the general mandate; or

(b) the general mandate is revoked or varied by a subsequent special resolution of the members; or

(c) the expiry of the term for which the general mandate was first granted and approved; and

(d) the Directors have passed a resolution stating that in their opinion the repurchase benefits the remaining members and the terms of the repurchase are fair and reasonable to the Company and the remaining members.

Any shares purchased or otherwise acquired by the Company are deemed to be cancelled immediately on acquisition.

8.16 *Appointment of Directors*

Unless otherwise determined by resolution of the Company, the number of directors of the Company shall not be less than two or more than 10. A majority of the Directors shall at all times be resident or ordinarily resident outside the United Kingdom. At all times there shall be at least two independent directors.

Subject to the provisions of the Articles, the Company may, by special resolution, appoint a person who is willing to act as a director either to fill a vacancy or as an additional director of the Company. The Directors of the Company may appoint a person who is willing to act as a director, either to fill a vacancy or as an addition to the Board, but the total number of Directors shall not exceed any number fixed by or in accordance with the Articles as the maximum number of directors of the Company. A director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at that meeting.

8.17 *Retirement of Directors*

At every annual general meeting, one-third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third shall retire from office by rotation, provided that, if there is only one Director who is subject to retirement by rotation, he shall retire. If not reappointed at such meeting, he shall vacate office at the conclusion thereof.

8.18 *Removal of Directors by resolution*

The Company may by resolution remove any Director before the expiration of his period of office, notwithstanding anything in the Articles or in any agreement between the Company and such Director and, without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company, may (subject to the Articles), by resolution, appoint another person who is willing to act as Director in his place. Any person so appointed shall be treated, for the purposes of determining the time at which he or any other Director is to retire by rotation, as if he had become a Director on the day on which the person in whose place he is appointed was last appointed or reappointed a Director. In default of such appointment, the vacancy arising upon the removal of a Director from office may be filled by a casual vacancy provided that the majority of the Directors shall at all times be resident or ordinarily resident outside of the United Kingdom.

8.19 *Directors' fees*

The Directors shall be entitled to receive by way of fees for their services as Directors such sum as the Board may, from time to time, determine. Any such fees shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provisions of the Articles and shall accrue from day to day.

Each Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company.

If, by arrangement with the Board, any Director shall perform or render any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether by way of a lump sum or by way of salary, commission, participation in profits or otherwise) as the Board may from time to time determine.

8.20 *Directors' indemnity*

Subject to the IOM CA 2006, but without prejudice to any indemnity to which he may otherwise be entitled, every Director, secretary or other officers for the time being of the Company and the trustees (if any for the time being) acting in relation to any of the affairs of the Company and their respective heirs and executors shall be entitled to be indemnified (to the extent permitted by applicable laws) out of the assets and profits of the Company and from against all actions, expenses and liabilities which they or their respective heirs or executors may incur by reason of any contract entered into or any act in or about the execution of their respective offices or trust except such (if any) as they shall incur by or through their own wilful neglect or default respectively and none of them shall be answerable for the acts, receipts, neglects or defaults of the others or them or for joining in any receipt for the sake of conformity or any bankers or other person with whom any monies or assets of the Company may be lodged or deposited for safe custody or for any bankers or other persons into whose hands money or assets of the Company may come or for any defects of title of the Company to any property purchased or for insufficiency or deficiency in title of the Company to any security upon which the moneys of the Company shall be placed out or invested or for any loss, misfortune or damage resulting from any such cause as aforesaid or which may happen in or about the execution of their respective offices or trusts except the same shall happen by or through their own wilful act neglect or default.

8.21 *Directors' gratuities and pensions*

The Directors shall have the power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or ex-Director and for the purpose of providing any such gratuities, pensions or other benefits to contribute.

8.22 *Permitted interests of Directors*

Subject to the provisions of Section 104 of the IOM CA 2006 and provided that the disclosure requirements set out in the Articles are complied with, a Director, not with standing his office:

8.22.1 may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;

8.22.2 may be a director or officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by or promoting the Company or in which the Company is otherwise interested or as regards which the Company has any power of appointment; and

8.22.3 shall not, by reason of his office, be liable to account to the Company for any benefit which he derives from any such office, employment, contract, arrangement, transaction or proposal or from any interest in any such body corporate; and no such contract, arrangement, transaction, proposal or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

8.23 *Voting at Board meetings*

Resolutions of the Board are adopted by majority vote of those present at the meeting. In the case of an equality of votes, the chairman of the meeting has a casting vote.

8.24 *Restrictions on voting*

A Director who to his knowledge is in any way (directly or indirectly) interested in any contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first considered if he knows his interest then exists or, in any other case, at the first meeting of the Board after he knows that he is or has become so interested.

Except as provided below, a Director shall not vote on or be counted in the quorum in relation to any resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or any proposal whatsoever to which the Company is or is to be a party and in which he has (directly or indirectly) an interest which is material (other than by virtue of his interests in

shares or debentures or other securities of, or otherwise in or through, the Company) or a duty which conflicts with the interests of the Company unless his duty or interest arises only because the resolution relates to one of the matters set out in the following paragraphs, in which case he shall be entitled to vote and be counted in the quorum:

8.24.1 the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

8.24.2 the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part either alone or jointly with others, under a guarantee or indemnity or by the giving of security;

8.24.3 where the Company or any of its subsidiaries is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;

8.24.4 relating to another company in which he and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in Sections 820 – 825 of the UK CA 2006) representing one per cent. or more of either any class of the equity share capital or the voting rights in such company;

8.24.5 relating to an arrangement for the benefit of the employees of the Company or any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or

8.24.6 concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.

An interest of a person who is, for any purpose of the IOM CA 2006, connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director otherwise has.

A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or termination) of two or more Directors to offices or places of profit with the Company or any company in which the Company is interested, such proposals may be divided and a separate resolution considered in relation to each Director, In such case, each of the Directors concerned (if not otherwise debarred from voting under the Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

8.25 *Borrowing powers*

Subject to the provisions of the IOM CA 2006, the Board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify and to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital or any part or parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

8.26 *Notices*

Any notice or other document to be sent or given pursuant to the Articles shall be in writing except that a notice calling a meeting of the Directors of the Company need not be in writing. Any such notice or other document may be sent using electronic communications to such address (if any) as may for the time being be notified for that purpose to the person sending the notice or other

document by or on behalf of the person to whom the notice or document is sent. The Directors of the Company may from time to time specify the form and manner in which a notice may be given by or to the Company by electronic communications.

The Company may give any notice in writing, document or other communication to a Shareholder:

8.26.1 personally;

8.26.2 by sending it by first-class post in a prepaid envelope addressed to the member at his address in the Company's register of members;

8.26.3 by leaving it at that address; or

8.26.4 by sending it using electronic communication to such address (if any) as may for the time being be notified to the Company by or on behalf of the Shareholder for that purpose.

In the case of joint holders of a share, all notices and other documents shall be given to the joint holder whose name stands first in the Company's register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders.

A Shareholder who has no registered address within the British Isles and has not supplied to the Company an address within the British Isles for the service of notices will not be entitled to receive notices from the Company.

8.27 *Directors' duties in respect of the City Code*

If and for so long as the Company shall not be subject to the City Code, the Board shall, in managing and conducting the business of the Company and in exercising or refraining from exercising any and all powers, rights and privileges, use its reasonable endeavours to apply and to have the Company abide by the general principles as set out in the City Code ("General Principles") *mutatis mutandis* as though the Company were subject to the City Code. In the event that circumstances arise where, if the Company were subject to the City Code, the Company would be an offeree or otherwise the subject of an approach or the subject of a third-party statement of firm intention to make an offer, the Board would comply and procure that the Company complied with the provisions of the City Code *mutatis mutandis* as though the Company were subject to the City Code. In the event that the Board recommended to the Shareholders of the Company or any class thereof any takeover offer made for Ordinary Shares in the Company from time to time, the Board would obtain the undertaking of the offeror(s) to comply with the provisions of the City Code in the conduct and execution of the relevant offer *mutatis mutandis* as though the Company were subject to the City Code. It is recognised that the Panel does not currently have jurisdiction and that, if and for so long as such may be the case, these provisions are subject in any event to the Companies Act and to the requirement that the Board must be satisfied that the application of the Articles is in the best interests of the Company.

8.28 *Takeover provisions*

8.28.1 The Articles adopt certain of the provisions of the City Code, including provisions dealing with compulsory takeover offers and shareholder treatment along the lines of the General Principles and rules of the City Code (save as specified in the Articles), which are to be administered by the Board. The Articles relating to the City Code have effect only during such times as the City Code does not apply to the Company.

8.28.2 Pursuant to the Articles, a person (acting by himself or with persons determined by the Board to be acting in concert) must not:

8.28.2.1 acquire or seek to acquire, whether by a series of transactions over a period of time or not, voting rights in the Company, which (taken together with shares in the Company in which persons determined by the Board to be acting in concert with him are interested) carry 30 per cent, or more of the voting rights of the Company (when aggregated with the shares already beneficially owned by the relevant person or any person so determined by the Board); or

8.28.2.2 be beneficially interested in Ordinary Shares which in the aggregate carry not less than 30 per cent, of the voting rights of the Company, but not more than 50 per cent, of such voting rights, and acquire, by himself or with persons determined by the Board to be acting in concert, additional voting rights which, taken together with the voting rights held by the persons determined by the Board to be acting in concert with him:

(a) increase his (in the case of a person acting by himself) holding of voting rights of the Company by more than three per cent, from the lowest percentage holding of that person (acting by himself); or

(b) increase their (in the case of persons determined by the Board to be acting in concert) collective holding of voting rights by more than three per cent, from the lowest collective percentage holding of such persons,

(c) effect or purport to effect an acquisition which would breach or not comply with Rules 4, 5, 6 or 8 of the City Code, if the Company were subject to the City Code, provided that Rule 5 of the City Code for these purposes shall be deemed not to include the exceptions set out in Rule 5.2 of the City Code.

8.28.2.3 The following provisions shall apply in interpreting paragraph 9.2.28.2.2 above:

(a) A person, or group of persons deemed by the Board to be acting in concert, holding 30 per cent, or more, but not more than 50 per cent. of the voting rights of the Company is free to acquire and dispose of further voting rights within a band of 3 per cent., above the greater of 30 per cent., or its lowest percentage holding of voting rights in the previous 12-month period without the acquisition falling within paragraph 9.28.2.2 above. Within this band, dispositions of voting rights may be netted off against acquisitions thereof.

(b) If a person or group of persons deemed by the Board to be acting in concert, holding 30 per cent, or more of the voting rights of the Company, but not more than 50 per cent., disposes of voting rights in circumstances other than those mentioned in paragraph 9.28.3.1 above, the reduced holding establishes a new lowest percentage holding for purposes of the 3 per cent., threshold. As a result, an acquisition will be treated as falling within paragraph 9.2.28.2.2 above if:

(i) the reduced holding is 30 per cent, or more and is increased by net acquisitions of voting rights by more than three per cent, in any 12-month period; or

(ii) following a reduction of the holding below 30 per cent., it is increased to 30 per cent., or more.

Except as mentioned in paragraph 9.28.3.1 above, dispositions of voting rights may not be netted off against acquisitions thereof.

(c) The dilution of a holding of voting rights by the issue of new shares or otherwise will normally be regarded by the Board as equivalent to a reduction by way of a disposition of voting rights.

(d) When a person, or group of persons deemed by the Board to be acting in concert, would otherwise be obliged to make a mandatory offer pursuant to the Articles in order for a transaction to be a permitted acquisition but the obligation is waived pursuant to a vote of independent Shareholders in accordance with the directions of the Board, such person, or group of persons, shall be deemed to have a lowest percentage holding equal to the percentage holding of such person, or group of persons, immediately after any such whitewashed transaction. Any acquisition of additional voting

rights by such person, or group of persons, subsequent to the whitewashed transaction shall be subject to the three per cent, threshold in paragraph 9.28.2.2 above by reference to the lowest percentage holding in the 12-month period ending on the date of completion of the relevant acquisition.

(e) Following a mandatory offer made in accordance with the Articles in order for a transaction to be a permitted acquisition which does not become unconditional, an offeror shall be deemed to have a lowest percentage holding equal to his aggregate holding of voting rights of the Company at the close of the offer period, including any voting rights which he acquired during the offer.

(f) The three per cent, creeper restriction in paragraph 9.28.2.2 above applies to any immediately preceding 12-month period if at any time during such period a person, or group of persons deemed to be acting in concert, holds 50 per cent, or less of the voting rights. Therefore, a person or group of persons with 49 per cent, of the voting rights of the Company will fall within the restrictions in paragraph 9.28.2.2 above if he or they acquire more than a further three per cent., of the Company's voting rights (resulting in a total in excess of 52 per cent.) during a period of 12 months thereafter.

8.28.3 Where the Board has reason to believe that any of the circumstances set forth in paragraphs 9.28.2.1 to 9.28.2.3 above has taken place, then it may take all or any of certain measures to:

8.28.3.1 require the person(s) appearing to be interested in the Ordinary Shares of the Company to provide such information as the Board considers appropriate;

8.28.3.2 have regard to such public filings as may be necessary to determine any of the matters under the Articles relating to the City Code;

8.28.3.3 make any determination under the Articles relating to the City Code as it thinks fit, either after calling for submissions by the relevant person(s) or without calling for any;

8.28.3.4 determine that the voting rights attached to such Ordinary Shares acquired in breach of the Articles (the "Excess Shares") are from a particular time incapable of being exercised for a definite or indefinite period;

8.28.3.5 determine that some or all of the Excess Shares are to be sold;

8.28.3.6 determine that some or all of the Excess Shares will not carry any right to any dividends or other distributions from a particular time for a definite or indefinite period; and

8.28.3.7 take such actions as it thinks fit for the purposes of the Articles relating to the City Code, including prescribing rules not inconsistent with the Articles relating to the City Code, setting deadlines for the provision of information, drawing adverse inferences where information requested is not provided, making determinations or interim determinations, executing documents on behalf of a shareholder, converting any Excess Shares held in uncertificated form to certificated form and vice versa, paying costs and expenses out of proceeds of sale and changing any decision or determination or rule previously made.

The Board has the full authority to determine the application of the Articles relating to the City Code, including the deemed application of the whole or any part of the City Code, and such authority shall include all the discretion that the Panel would exercise if the whole or part of the City Code applied. Any resolution or determination made by the Board, any Director or the chairman of any meeting acting in good faith is final and conclusive and is not open to challenge as to its validity or as to any other ground. The Board is not required to give any reason for any decision or determination it makes.

9 Share Option Scheme

The Company does not currently operate any share option schemes but intends to implement an appropriate share option scheme for the benefit of the Directors and employees of the Group within 12 months following Admission. The first tranche of options shall be issued at the Placing Price. It is anticipated that any additional grants of options shall be made in accordance with acceptable corporate governance guidelines. It is intended that the number of Ordinary Shares that may be issued (or capable of issue) pursuant to options granted shall not exceed 10 per cent. of the issued share capital of the Company from time to time.

10 Directors' and other interests

10.1 The Directors of the Company and their respective functions are set out in Part I of this document.

10.2 Details of any directorship that is or was in the last five years held by each of the Directors, and any partnership of which each of the Directors is or was in the last five years a member, are set out below:

Name	*Current directorships/partnerships*	*Previous directorships/partnerships*
Mr. M.C. Gupta	Bhansali Engineering Polymers Limited RMM Consultants (Pvt) Limited The Gurgaon Convention City (Pvt) Limited Vardhman Acrylics Limited OPG Power Generation (Pvt) Limited Lumax Industries Limited	
Mr. Martin Gatto	Tavernicus Limited Neutrahealth Plc Aquacell International Limited Biocare (Holdings) Limited Biocare 2000 Limited Biocare Agricultural Supplies Limited Biocare Clinics Limited Biocare Dental Supplies Limited Biocare Enterprises Limited Biocare Europe Limited Biocare Group Limited Biocare Health & Beauty Limited Biocare International Limited Biocare Laboratories Limited Biocare Limited Biocare Lipid Nutrition Limited Biocare Medicals Limited Biocare Nutrition Limited Biocare Pharmaceutical Supplies Limited Biocare Pharmacies Limited Biocare Scientific Limited Biocare Sports Nutrition Limited Biocare Veterinary Supplies Limited Biopet Limited Biovet Limited Cellguard Limited Duocap Limited Duocaps International Limited Natural Wellbeing Limited Nutrahealth Limited Oncovite Limited	Charterhouse (Bath) Limited British Energy Group plc Luminar Group Holdings plc

Name	*Current directorships/partnerships*	*Previous directorships/partnerships*
	Pharmaguard Limited Travelguard International Limited Nutrigold Limited Brunel Healthcare Limited	
Mr. Ravi Gupta	Kanishk Steel Industries Limited OPG Energy Private Limited OPG Agro Farms Limited OPG Renewable Energy Private Limited OPG Power Maharashtra Private Limited Salem Food Products Limited Delhi Steel Tubes Industries Limited Associated Traders and Enterprises Limited Cauvery Industries Limited	Sonal Vyapar Limited
Mr. Arvind Gupta	OPG Energy Private Limited Sri Harivallabha Enterprises & Inv P Limited Tamil Nadu Property Developers Limited OPG Power Generation Private Limited OPG Renewable Energy Private Limited OPG Power Gujarat Private Limited OPG Windfarms Private Limited OPG Power Maharashtra Private Limited Delhi Steel Tubes Industries Limited Dhanvarsha Enterprises & Investments Private Limited Hill Estate Private Limited Gita Power Inc Gita Investment Limited Tamilnadu Financial Services Private Limited Primex Infrastructure Private Limited Gita Energy Pvt Limited Gita Holdings Pvt Limited Durga Rubber Works	OPG Industries Limited Poleman Steels Limited Goodfaith Vinimay Private Limited Assam Mercantile Co Limited
Mr. V. Narayan Swami	OPG Energy Private Limited OPG Power Generation Private Limited	Best & Crompton Engg Limited
Mr. Patrick Grasby	Powerserve Support Limited Strategic Dimensions-Technical Limited Drax Group Plc	Drax Ouse Drax Power Limited Drax Finance Limited

10.3 Save as disclosed in paragraph 10.2 of Part VII this document, none of the Directors:

(a) is currently a director of a company or a partner in a partnership or has been a director of a company or a partner in a partnership within the five years immediately preceding the date of this document;

(b) has any spent or unspent convictions in relation to indictable offences;

(c) has been declared bankrupt or has entered into an individual voluntary arrangement;

(d) was a director of any company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors with which such company was concerned;

(e) was a partner in a partnership at the time of or within the 12 months preceding any compulsory liquidation, administration or voluntary arrangement of that partnership;

(f) has had any asset which has been subject to a receivership or was a partner in a partnership at the time of or within the 12 months preceding any asset of the partnership being subject to a receivership; or

(g) has been the subject of any public criticism by any statutory or regulatory authority (including any recognised professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

10.4 The interests of the Directors and their immediate families, all of which are beneficial (unless otherwise stated), and of connected persons within the meaning of section 252 of the UK CA 2006, in the issued share capital of the Company as at the date of this document and as they are expected to be on Admission, together with the percentages which such interests represent of the Ordinary Shares in issue are as follows:

	At the date of this document		*Following Admission*	
	No. of issued Ordinary Shares held	*Percentage of issued share capital*	*No. of issued Ordinary Shares*	*Percentage of Enlarged Share Capital*
Arvind Gupta[4]	2,500,000	100	178,571,428	62.2

10.5 In addition to the interests of the Directors set out in paragraph 10.4 above, as at the date of this document, insofar as is known to the Company and Directors, each of the following persons will as at the date of this document and immediately following Admission hold more than three per cent. of voting rights as a Shareholder through his direct or indirect holding of financial instruments:

	At the date of this document		*On Admission*	
	No. of issued Ordinary Shares held	*Percentage of issued share capital*	*No. of issued Ordinary Shares held*	*Percentage of Enlarged Share Capital*
Audley Capital Management Limited	—	—	12,500,000	4.4

10.6 Save as disclosed above, none of the Directors nor any person connected with the Directors (within the meaning of section 252 of the UK CA 2006) holds or is beneficially or non beneficially interested, directly or indirectly, in any share capital or loan capital of the Company or any of its Subsidiary undertakings, or in any options to subscribe for or securities convertible into shares of the Company or any of its Subsidiary undertakings.

10.7 Save as disclosed in this document, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group during the current or immediately preceding financial year and which was effected by the Group and remains in any respect outstanding or unperformed.

10.8 There are no loans made or guarantees granted or provided by the Company or the Group to or for the benefit of any Director which are outstanding.

10.9 There are no arrangements known to the Company, the operation of which may at a subsequent date result in a change of control of the Company.

10.10 Neither the Directors nor any major Shareholders have different voting rights to the other Shareholders.

10.11 None of the Directors or members of their family has a financial product whose value in whole or in part is determined directly or indirectly by reference to the price of the Ordinary Shares.

[4] Arvind Gupta's interest includes those through the Gupta family (as the controlling shareholder of Gita Power and Gita Investment) and those of the Pre-IPO Investors (being connected persons of Arvind Gupta)

11 Directors' remuneration and service agreements

11.1 The Directors have entered into service contracts and non-executive appointment letters which are summarised below. Save for these agreements, there are no service agreements between any Director and the Company or any company within the Group not determinable without payment of compensation (other than statutory compensation) within one year and none are proposed to be entered into.

12 Directors' service agreements and letters of appointment

12.1 Each of Messrs Arvind Gupta and V. Narayan Swami have entered into individual letters of appointment with the Company dated 22 May 2008. Such appointment letters are conditional on Admission and the Directors' appointments are subject to termination in the event of termination of the respective Director's service agreement as detailed in paragraph 12.4 below.

12.2 Each of Messrs Martin Gatto and Patrick Grasby have entered into individual letters of appointment with the Company dated 22 May 2008, at an initial fee of £25,000 for the first 12 months and thereafter such fees are to be mutually agreed between the Company and each of the individual non-executives. Mr. Gatto shall receive an additional, one off, fee of £25,000 for work carried out in connection with Admission. Such appointments are subject to termination upon three months written notice by either party.

12.3 Each of Messrs M.C. Gupta and Ravi Gupta have entered into individual letters of appointment with the Company dated on or around 6 May 2008 at an initial fee of £25,000 for the first 12 months and thereafter such fees are to be mutually agreed between the Company and the relevant non-executive. Such appointments are subject to termination upon three months written notice by either party.

12.4 In addition to the appointment letters summarised above, each executive Director has entered into a service agreement dated 22 May 2008 in the case of Arvind Gupta with OPGG and OPGPG and in the case of V.Narayan Swami with OPGPG in respect of his role as a whole time director of those companies.

Arvind Gupta's appointment shall be for an initial period of 12 months and thereafter subject to termination by either party on 12 months notice. Arvind Gupta shall receive a gross annual remuneration of Rs. 120 lakh (approximately £144,000) (90 lakh from OPGG and 30 lakh from OPGPG), exclusive of benefits, and shall be entitled to an annual bonus of up to three times his annual salary, any such bonus allocation to be determined at the discretion of the Remuneration Committee.

V. Narayan Swami's appointment shall be for an initial period of 12 months and thereafter subject to termination by either party on three months notice. Mr. Swami shall receive a gross annual remuneration of Rs. 36 lakh (approximately £43,200), exclusive of benefits, and shall be entitled to an annual bonus of up to one times his annual salary, any such bonus allocation to be determined at the discretion of the Remuneration Committee.

12.5 The estimated aggregate remuneration, including benefits in kind, to be paid to the Directors in the 12 months ending 31 March 2009 is £114,625. The estimate is based upon the contractual arrangements currently in place with each Director.

13 Working capital

The Directors are of the opinion, having made due and careful enquiry and taking into account the net proceeds of the Placing, that the Group will, from the time of Admission, have sufficient working capital for its present requirements, that is for at least 12 months from the date of Admission.

14 Material contracts

In addition to the Placing Agreement, details of which are set out below, the following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or the Group during the two years immediately preceding the date of this document and are or may be material:

14.1 ***OPGE***

Agreement with OPG Metals for the acquisition of the Waste Heat Recovery Plant

The agreement of transfer was entered into on 3 and 16 December 2007 for the transfer of the 1.4MW waste heat recovery power plant to OPGE by OPG Metals. The plant was purchased from Wartsila by OPG Metals. The total consideration for the plant was Rs. 111,822,829. OPG Metals has assigned all its rights in the plant (including the warranties and indemnities extended by Wartsila) to OPGE. Wartsila has given a warranty for a period of 12 months from the date of commissioning or 18 months from the date of supply whichever is earlier. The overall liability of Wartsila is limited to Rs. 9,750,000.

Agreement with GAIL (India) Limited

OPGE entered into an agreement with GAIL on 13 October 2000 for the supply of up to 80,000 standard cubic metres per day of natural gas to OPGE's power plant. The agreement was varied by an agreement dated 25 April 2008 and is valid until 31 December 2010.

The price of the gas will be in accordance with the directive of the Government of India. The prices determined by the Government of India are likely to be market related. The current price of gas is Rs. 3200/mcm. In addition to the price of gas as mentioned above, OPGE will pay GAIL a minimum monthly transmission charge of Rs. 3,69,600 under the agreement. OPGE shall also pay, additional fixed monthly transmission charges of Rs. 5,85,000 over and above the minimum monthly transmission charges for Interconnection Pipeline from the Narimanam to Kuthalam zone. OPGE has to pay for the actual gas supplied by GAIL, but also has to pay for at least the minimum guaranteed off take irrespective of whether or not OPGE utilises the minimum guaranteed off take. (Minimum guaranteed off take = 90 per cent. of maximum daily quantity (i.e. 80,000 scm) x number of days in a month).

O&M Agreement with Wartsila India Limited

OPGE entered into a contract with Wartsila for the mobilization, operation and maintenance of OPGE's 17.98 MW power plant on 24 April 2003. OPGE has to pay Rs. 1,250,000.00 towards mobilization and the annual fixed O&M fee in 12 equal monthly instalments.

Wartisla has provided performance guarantees on the net plant heat rate, specific lube oil consumption, spare parts consumption, auxiliary power consumption, and total exportable units. In the event that these performance criteria are not met, Wartsila is liable to pay liquidated damages to OPGE. The total aggregate liability of Wartsila, its sub-contractors, agents and employees for any one year is limited to 25 per cent. of the O&M contract value for that year. The agreement will remain in force for 10 years from the take-over date. In the event of a substantial material breach by Wartsila of its obligations, OPGE has the right to terminate by giving 90 days notice to Wartsila. Wartsila has the right to terminate the agreement if OPGE defaults in its payments 60 days after the due date for such payment.

Escrow agreement with Punjab National Bank and the State Bank of Indore

OPGE entered into an escrow account arrangement agreement dated 28 November 2006 with Punjab National Bank (the "PNB") and the State Bank of Indore (the "Escrow Agreement") and subsequently set up a non-operative escrow account with PNB. OPGE has agreed not to transfer or withdraw monies, otherwise than in accordance with the Escrow Agreement.

PNB has agreed to collect receivables and credit the receivables into the escrow account and OPGE has agreed to provide the list of persons from whom payments are to be received, along with a power of attorney in favour of PNB. OPGE has undertaken to provide in their invoices that payments should be made into the escrow account.

PNB has undertaken to deduct from the monthly collections, the monthly loan instalments and interest payable to both PNB and the State Bank of Indore and distribute them to the respective loan accounts and any amount over and above this will be treated as surplus. PNB has further undertaken to proportionately retain from the surplus, an amount equivalent to two months instalments and interest recoverable for two months payable by OPGE to PNB in the debt reserve fund. PNB will transfer any surplus to the operative account of OPGE for their disposal.

If funds in the escrow account for distribution and appropriation to the term loan accounts of PNB and State Bank of Indore are insufficient to pay the amount required to be distributed to such accounts, the funds lying in the debt reserve fund will be appropriated towards the term loan instalments and the interest to the extent of the shortfall. The shortfall in the debt reserve fund after appropriation will be carried over to the succeeding months for replenishment from the monthly collections in the escrow account at the discretion of the PNB.

The PNB and the State Bank of Indore may terminate the Escrow Agreement in the event of a default of any material obligation by OPGE which remains unremedied for 60 days.

Power Purchase Agreements

OPGE has entered into numerous agreements with its captive users for the sale of power. Most of the PPAs contain similar terms and conditions, and summaries of these are set out below.

OPGE has a separate arrangement with the TNEB for the sale of the power to the TNEB. The existing trading agreements entered into by OPGE do not exempt OPGE from liability in the event of non performance of its obligations under the provision of grid facilities by TNEB.

Power Purchase Agreement with OPG Metals

The PPA was entered into on 1 February 2008. OPG Metals is to purchase power at least equal to the level of the contracted demand which is equal to 50,00,000 units per month. OPG Metals shall pay Rs. 3.60 per unit of power. If the TNEB tariff is increased beyond the present level, then the price to be paid shall be increased by 80 per cent. of the increase in the TNEB tariff level.

The PPA will become effective upon the fulfilment of the conditions precedent and continue in force until terminated by either party.

The PPA shall terminate automatically if, (i) there is any change in law or directive that prohibits the supply of power to OPG Metals by OPGE; (ii) the plant is no longer treated as a Captive Power Plant; (iii) the supply of power to OPG Metals results in the plant no longer being treated as a Captive Power Plant; or (iv) there is a change in law or directive that would have a material adverse effect on either OPGE or OPG Metals if OPGE were to continue to supply power to OPG Metals under this PPA.

Power Purchase Agreement with Sonal Vyapar Limited

The PPA was entered into on 15 December 2002. Sonal Vyapar has to pay for the monthly allotted energy per month irrespective of whether it actually consumes such energy. Sonal Vyapar shall pay for the power at the TNEB tariff rate. In the event that Sonal Vyapar makes payment within seven days of invoice, it shall get a discount of 7.5 per cent. Either party may terminate the agreement by giving three months notice. The agreement will terminate automatically if (i) the wheeling agreement with TNEB is terminated or cancelled by TNEB; (ii) a change in the law prohibits the supply of power to Sonal Vyapar, or (iii) there is a change in the law that would have an adverse effect on OGPE or Sonal Vyapar if OPGE was to continue supplying power to Sonal Vyapar. The agreement shall remain in effect until terminated by either party.

Power Purchase Agreement with Ennore Foundaries Limited

This PPA was entered into on 7 May 2003 and shall remain in effect until terminated by either party on three months notice, or as a result of automatic termination as set out below. The current tariff plan under the agreement is the TNEB tariff less 7.5 per cent. Ennore has to pay for the monthly allotted energy per month irrespective of whether it actually consumes this energy or not. Either party may terminate the agreement by giving three months notice. The agreement will terminate automatically if, (i) the wheeling agreement with TNEB is terminated or cancelled by TNEB; (ii) a change in the law prohibits the supply of power to Ennore or (iii) there is a change in the law that would have an adverse effect on OPGE or Ennore if OPGE was to continue supplying power to Ennore.

Power Sharing Agreement with Meridian Industries Limited

This PPA was entered into on 30 November 2002 and shall remain in effect for a period of 10 years from the date of signing and is renewable at the option of the parties on mutually agreed terms and conditions. OPGE has an obligation to supply the annual guaranteed energy to Meridian as long as Meridian holds shares in OPGE. The tariff to be paid by Meridian is equal to the fixed charge plus fuel charges. The fixed charge is Rs. 1.70 per unit, subject to review at the end of five years. The fuel charges will vary depending on the price of natural gas. Provided that the price to be charged on the basis of the above component shall always be less by a minimum of 7.5 per cent. than the TNEB tariff. Meridian is entitled to 2 MW of pro-rate power of 17.5 MW and 115.92 lakh units per annum of energy. OPGE has to supply 57.96 lakh units per MW per annum with minimum supply 4.5 lakh units per month.

Either party may terminate the agreement by giving 60 days advance notice. The agreement will be terminated automatically if (i) the wheeling agreement with TNEB is terminated or cancelled by TNEB; (ii) a change in the law prohibits the supply of power to Meridian, or (iii) there is a change in the law that would have an adverse effect on OPGE or Meridian if OPGE was to continue supplying power to Meridian.

Power Purchase Agreement with Tamil Nadu Electricity Board

The PPA with Tamil Nadu was entered into on 30 September 2003. The agreement extends from the date of commencement of commercial operation of the project to 2007/2008. TNEB has agreed to accept surplus power of 2.5MW from OPGE.

Facility arrangements

OPGE has entered into loan facilities with State Bank of Indore and PNB. The loans are secured by a charge on the assets of the Company.

In 2002/2003 OPGE obtained a loan from Fortis Bank for the purpose of purchasing power generation equipment amounting to $4.74m. The loan was taken over by State Bank of India, London in 2004-2005, backed by a letter of credit ("LC") from a consortium of Indian bankers.

In September 2005, the LC expired and was not renewed. The State Bank of Indore ("SBI") took over the entire loan amount outstanding as on that date from State Bank of India. Repayment for the SBI loan is to be made in 20 equal instalments, commencing from December 2005.

In the year ended 31 March 2007, a new loan facility of $16.114 million was sanctioned by PNB.

14.2 ***OPGPG***

Agreement with Shriram EPC Limited

On 25 January 2006, OPGPG entered into an agreement with Shriram EPC for the engineering, procurement and construction of the 77MW coal based power plant at Gummidipoondi, Chennai, Tamil Nadu. The plant is to be engineered, supplied and constructed within 18 months from the date of financial closure and release of advance payment. The agreement makes provision for guaranteed performance levels which Shriram EPC has to demonstrate. Shriram EPC is liable to pay, as liquidated damages, a sum of 0.5 per cent. of the contract price for every 15 days of delay in commissioning (due to a fault attributable to Shriram EPC) or part thereof subject to a ceiling of 5 per cent. of the contract price. Aggregate liability of Shriram under the contract is 12.5 per cent.

The agreement automatically terminates upon receipt of the final acceptance certificate by Shriram EPC. The total contract price is Rs. 243.05 crores. The price is final and not liable to any change under any condition whatsoever, except for statutory variations to be reimbursed at actuals and where OPGPG postpones delivery beyond the contractual period.

Agreement with Knowledge Infrastructure Systems Private Limited

OPGPG has entered into two agreements with KISL for the supply of up to 400,000 tonnes of coal each per year for its two up-coming units. The term of each of the agreements is five years from the date of commissioning of the respective unit. The agreement may be terminated by either party upon the other's default under the agreement.

The price of the coal is the sum of the FOBT price and the freight price. The FOBT price for coal is effective for five years from the date of commissioning of the plant has been agreed at $33.70 per metric tonne of coal. The freight price for coal is $17.00 per metric tonne which is effective until 31 December 2013. OPGPG has the obligation to purchase at least 75 per cent. of the Base Quantity (the "Minimum Quantity") unless excused by force majeure or as mutually agreed by KISL in writing. The Base Quantity is 400,000 tonnes of coal per year. If OPGPG is unable to purchase the Minimum Quantity for reasons other than an event of force majeure, OPGPG shall pay KISPL an amount equalling the difference between the Minimum Quantity and the actual quantity delivered multiplied by $2.00 per metric tonne. Similarly KISL is also under an obligation to deliver at least the Minimum Quantity.

MOU with Tata Power

On 24 September 2007 OPGPG and Tata Power entered into a MOU under which Tata Power has agreed to purchase up to 34MW power from 1 January 2009 for a period of five years. The applicable base rate at the delivery point for the first three years (being from 1 June 2009 to 31 May 2012) has been agreed to be Rs. 3.68 /KWH net of Tata Power's trading margin. The rate for the subsequent period shall be mutually discussed and agreed. The MOU shall be terminated in the event of TNEB/ TNERC not allowing corridor for inter-state sale. The net revenue excess available over base rate will be shared between OPGPG and Tata Power in the ratio of 70:30. This MOU is conditional upon entering into a final binding agreement.

OPGG MOU with AS Klaveness Chartering

The MOU between OPGG and AS Klaveness Chartering (as summarised below) also deals with the transport of coal to the 77MW plant in Chennai. The shipping for OPGPG is also covered under this MOU.

Contract with Ansaldo for supply the boiler

On 20 August 2007 Shriram EPC placed two orders with Ansaldo; one for the supply of a coal-fired boiler for Rs. 700 million and the other for the erection and commissioning of the boiler for Rs. 40 million. These orders have accepted by Ansaldo.

Although OPGPG is not a party to these contracts, in accordance with the orders, if OPGPG formally accept the orders Ansaldo will raise the invoice with OPGPG, and OPGPG is obliged to make the payments to Ansaldo.

Lease Deeds

On 4 September 2006, OPGPG entered into two lease deeds, one leasing 18.090 acres of land from Tamil Nadu Property Developers Limited ("Tamil Nadu Property") in Pappankuppam Village, Gummidipoondi Taluk, Thiruvallur District and another leasing 23.635 acres of land from Mr. Ravi Gupta, Pappankuppam Village, Gummidipoondi Taluk, Thiruvallur District. The annual rent for each of the leases is Rs. 500/- per acre. The term of each of the leases is 30 years with a combined interest free deposit of INR 86.35 million. Each of the leases are terminable by the lessors by giving two months notice on non-payment of rent and by OPGPG by giving 48 months notice. The annual rent has been fixed for the 30 year term, but given the fluctuations in the Indian property market the terms of the two lease deeds are, in the opinion of the Directors, favorable to the company (current market rents are in excess of the fixed rent).

All of this land, together with the land purchased from Arvind Gupta as detailed in paragraph 15.4 below, is to be collectively used for the operation of the OPGPG plant.

Facility arrangements

A facility of $57.625 million for the construction of the 77MW plant has been made available by a consortium of banks consisting of PNB, Indian Bank and Oriental Bank of Commerce and the draw-down has begun. The loans availed by, or sanctioned to OPGPG are set out below:

a) PNB, being the lead bank in the syndicate, sanctioned a term loan facility for INR 1 billion. The terms of this arrangement are set out in a Facility Agreement and Term Loan Agreement both dated 9 April 2007. The Facility Agreement also sets out the terms and conditions of a letter of credit facility of Rs. 921,600,000. Additional sub-debt of INR 135 million has been sanctioned.

b) On 5 September 2007 the Indian Bank issued a term loan facility of Rs. 670,000,000 and a letter of credit facility of Rs. 670,000,000.

c) On 22 March 2006 the Oriental Bank of Commerce issued a term loan facility of Rs. 500,000,000 and a letter of credit facility of Rs. 500,000,000. The conditions of the facility offered by the PNB shall similarly apply to the Ocean Bank of Commerce facility.

14.3 ***OPGRE***

License Agreement with Kanishk Steel

A license agreement dated 25 April 2008 entered into between Kanishk Steel (as the licensor) and OPGRE (as the licensee). The agreement is for the license of plant and equipment at Periya Obulapuram, OPG Nagar, Gummudipoondi, Thiruvallur District. The period of the license is 15 years from the date of fulfilment of the conditions precedent. OPGRE may renew the license for a further period of 15 years on the same terms.

Power Purchase Agreement with Kanishk Steel

A PPA has been entered into between OPGRE and Kanishk Steel on 29 April 2008 whereby OPGRE has agreed to provide from the plant such power as may be needed by Kanishk Steel for Kanishk Steel's own use in its manufacturing operations up to a maximum of nine million units of power for every financial year. If the supply is less than 9 million units in any financial year, OPGRE will be liable to compensate Kanishk Steel by an amount equal to the value of such shortfall calculated by applying the rate of power charged by TNEB in that financial year. Either party wishing to terminate the agreement at the end of 15 years will be required to give 90 days notice to the other party, failing which the agreement shall be renewed by mutual consent for such further period and on such terms as may be mutually agreed. The agreement cannot be terminated during the initial period of 15 years. The present tariff payable under the agreement is Rs. 4.00 per unit. Kanishk Steel has to pay for the monthly allotted energy (which is determined by OPGRE) irrespective of whether it consumes such energy.

Power Sharing Agreement with K L Concast

An agreement has been entered into between OPGRE and KL Concast for the purchase of up to 8MW of power by KL Concast. The agreement is for a term of 15 years and may be terminated earlier by either party by giving 6 months notice. The present tariff payable under the agreement is Rs. 3.98 per unit.

14.4 ***OPGG***

OPGG has entered into arrangements with KISL and Tata Power on similar terms as OPGPG, the terms of which are summarised below.

Agreement with KISL

OPGG has entered into an agreement with KISL for the supply of up to 1,200,000 tonnes of coal each per year for its up-coming units. The term of the agreement is five years from the date of commissioning of the units.

The price of the coal is the sum of the FOBT price and the freight price. The FOBT price for coal effective for five years from the date of commissioning of the plant, has been agreed at $33.70 per metric tonne of coal. The freight price for coal effective until 31 December 2013 is $18.50 per metric tonne. OPGG has the obligation to purchase at least 75 per cent. of the base quantity (the "Minimum Quantity") unless excused by force majeure or as mutually agreed by KISL in writing (the base quantity is 1,200,000 tonnes of coal per year). If OPGG is unable to purchase the Minimum Quantity for reasons other than an event of force majeure, OPGG shall pay KISL an amount equalling the difference between the Minimum Quantity and the actual quantity delivered multiplied by $2.00 per metric tonne. Similarly KISL is also under an obligation to deliver at least the Minimum Quantity.

MOU with Tata Power

OPGG and Tata Power entered into a MOU on 24 September 2007 under which Tata Power has agreed to purchase up to 115MW power from 1 June 2009 for a period of five years. The term may be extended by mutual agreement. The applicable base rate at the delivery point for the first three years (from 1 June 2009 to 31 May 2012) has been agreed to be Rs. 3.68 /KWH net of Tata Power trading margin. The rate for the subsequent period shall be mutually discussed and agreed. The MOU shall be terminated in the event of GUVNL / Gujarat Electricity Board not allowing corridor for inter-state sale.

The MOU provides that Tata Power will make efforts to secure the highest possible rate based on market dynamism. If there is additional revenue accrued over base revenue (based on base rate), it will be to the account of OPGG. Likewise, in the event of slack demand, all shortfalls in revenue compared to base revenue will be adjusted against additional revenue stated above. This will be done on an annual basis to the extent of exhausting the corpus earned through additional revenue. However, the net revenue excess available over base rate will be shared between OPGG and Tata Power in the ratio of 70:30. This MOU is conditional upon entering into a final binding agreement, which the Directors expect to conclude shortly.

MOU with AS Klaveness

The parties entered into an MOU on 30 November 2007 with AS Klaveness for reaching an understanding and preliminary terms subject to which AS Klaveness will transport coal from Kalimantan, Indonesia. The parties have agreed to review the MOU in its entirety within 6 months of the date of the MOU. If the MOU is not extended or modified by this time, the MOU will stand terminated. The parties have agreed that the initial shipments will be shipped by OPGG and carried by AS Klaveness, upon such terms as will be agreed by the parties. AS Klaveness has undertaken to investigate the most cost effective way of converting the initial spot market consecutive voyage charter agreement on Handymax to Supramax to Panamax and then Mini Capsize to a long term (10 to 15 years) contract of affreightment, close to the target rates.

Agreement to purchase land

On 29 February 2008 OPGG entered into an agreement with Shri Bhagwanbhai Okhabhai Patel and three other persons (the "Vendors") to purchase land in Gujarat for a total consideration of Rs. 58,406,560/-. The Vendors have acknowledged receipt of Rs. 10,000,000/- from OPGG. OPGG is required to pay Rs. 48,406,560/- to the Vendors by 1 June 2008 upon which the Vendors shall execute the registered sale deed in favour of OPGG. The registration fee and the stamp duty payable is the responsibility of OPGG.

Facility arrangements

Final sanction letters are in place between PNB, State Bank of Indore, State Bank of Patiala, UCO Bank, the Indian Overseas Bank, State Bank of Mysore, Indian Bank and the Bank of Maharashtra, with the PNB being the sole syndicate arranger. $212.5m is in place of which $12.5m is by way of indicative offer.

14.5 ***Placing Agreement***

14.5.1 Under a Placing Agreement dated 23 May 2008 and made between the Company, OPGPG, the Directors and Cenkos, Cenkos has agreed conditionally, *inter alia*, on Admission becoming effective not later than 3.00 pm on 30 May 2008, as agent for the Company, to use its reasonable endeavours to procure subscribers for the 108,418,367 Ordinary Shares at the Placing Price.

14.5.2 Under the Placing Agreement, the Company, OPGPG and the Directors have given Cenkos certain representations and warranties regarding, *inter alia*, the accuracy of the information contained in this document and certain indemnities. The Placing Agreement can be terminated prior to Admission in certain circumstances, including those where any of the representations and warranties are found not to be true or accurate in any material respect.

14.5.3 Under the Placing Agreement and subject to it becoming unconditional, the Company has agreed to pay Cenkos an aggregate fee of £200,000 and commission of 4.25 per cent. in respect of 106,292,517 of the Ordinary Shares placed pursuant thereto.

14.5.4 The Company will pay certain other costs and expenses (including all applicable VAT) of, or incidental to, the Placing including all fees and expenses payable in connection with Admission, expenses of the registrars, printing and advertising expenses, postage and all other legal, accounting and other professional fees and expenses.

14.6 ***Nominated Adviser and Broker Agreement***

14.6.1 Under an agreement dated 23 May 2008 and made between the Company, the Directors, and Cenkos (the "**Nomad Agreement**") the Company has, conditional on Admission, appointed Cenkos to act as nominated adviser and broker to the Company for the purposes of the AIM Rules.

14.6.2 The Company has agreed to pay Cenkos a fee of £50,000 per annum for its services as nominated adviser and broker under the Nomad Agreement, together with all reasonable out of pocket expenses and VAT.

14.6.3 The Nomad Agreement contains certain indemnities and undertakings given by the Company.

14.6.4 The Nomad Agreement continues for a minimum period of 12 months from Admission and thereafter may be terminated by either party giving the other three months written notice.

14.7 ***Lock in arrangements***

By an agreement dated 23 May 2008 Arvind Gupta and the Controlling Shareholders (as defined therein) have undertaken, subject to certain limited exceptions, not to dispose of, any of the Ordinary Shares in which they have a direct interest following Admission for a period of 36 months without Cenkos' consent.

14.8 ***Relationship Agreement***

On 23 May 2008 the Company and Arvind Gupta executed the Relationship Agreement, as Arvind Gupta through his shareholding in Gita Power Incorporated and Gita Investments Limited is a substantial shareholder in the Company. Pursuant to this agreement, Arvind Gupta, amongst other things, agrees that all transactions and relationships between the Company or any of the Company's subsidiaries and himself or any person connected to him will be at arm's length and on a normal commercial basis. Arvind Gupta also undertakes that for so long as he is a substantial shareholder (as defined therein) he shall not enter into, terminate or in any way alter any commercial arrangements and/or relationships between the Company and any of its subsidiaries and himself or any person connected to him unless a resolution sanctioning such action has been unanimously approved by the board of directors. Arvind Gupta or a person connected to him may not vote in this situation.

14.9 ***Warrant Instrument***

On 23 May 2008 the Company executed and adopted the Warrant Instrument and thereby constituted Warrants over an aggregate of 1 per cent. of the issued share capital on Admission. The Warrants are exercisable at any time during the period commencing on the first anniversary of Admission and expiring on the earlier of: (i) 12 months from Admission; or, (ii) upon an offeror becoming entitled to acquire the entire issued share capital of the Company.

The exercise price of each of the Warrants is the Placing Price. The exercise price and number of Ordinary Shares relating to such Warrants issued to Cenkos will be subject to adjustment in respect of dilution events, including the payment to the Company of cash or special dividends, any amalgamation, reorganisation, reclassification, consolidation, merger or sale of all or substantially all of the Group's assets and other dilutive events. The Warrants are freely transferable.

14.10 ***Engagement Letters***

The Company has entered into an engagement letter with Mannin Chambers ("Mannin") a firm of legal practitioners in the Isle of Man. In terms of their engagement letter with the Company, Mannin are appointed as the Company's general legal counsel in the Isle of Man and to provide

the following advice: general advice in relation to Admission; opinions where necessary as to Isle of Man law; due diligence on the and to generally work with McGrigors and GT in providing transaction support to the Company.

14.11 A share registrar agreement dated 26 April 2008 between the Company and Capita Registrars (Isle of Man) Limited (the "Registrar Agreement"), under which the Company appoints Capita Registrars (Isle of Man) Limited (the "Registrar") to maintain the Company's principal share register in the Isle of Man and provide certain other ancillary services.

14.12 An agreement for the provision of registered agent services between Wilton and the Company under which Wilton has agreed to act as the Company's registered agent as required by the IOM CA 2006. Wilton will receive an annual fee of approximately £3,000 (plus VAT) for its services payable within 30 days of an invoice rendered, plus any additional costs for services the Company may reasonably request from time to time, on a time-spent basis, payable in arrears. This agreement is terminable by any party by notice in writing, where such notice is given by Wilton the notice period is 3 months. Wilton have also been paid a fee of £15,000 for advice and the provision of services to the Company in relation to the incorporation of the Company, international tax advice and Isle of Man law.

15 Related Party Transactions

15.1 66 per cent. of OPGE's revenue is derived from OPG Metals (as a captive user). A summary of the PPA with OPG Metals is set out at paragraph 14.1 above. OPG Metals is a related party due to its shareholding in OPGE.

15.2 Historically there have been various advances from OPGE to various related parties. These have since been repaid as set out on page 81 of Part V except in the case of Salem Food Products Limited where interest continues to the charged at 11 per cent. per annum and OPG Maharashtra Private Limited, the arrangements with which are detailed on pages 81 and 82 of Part V of this document.

15.3 OPGE purchased the waste heat recovery plant from OPG Metals in December 2007 for $2,846,000. A summary of the agreement is set out in paragraph 14.1 above .

15.4 OPGPG has purchased land from Arvind Gupta, an executive Director of the Company, by way of a number of sale deeds all of which were entered into on 15 December 2006 and which have been registered.OPGPG paid an aggregate sum to Arvind Gupta of Rs. 1,314,120/- for land compromising a total of 28.24 acres which is used by OPGPG.

15.5 As set out in paragraph 14.2 above, OPGPG has leased 23.635 acres of land from Mr. Ravi Gupta, a non-executive director of the Company and brother of Arvind Gupta, for a yearly rent of Rs. 500/- per acre together with an interest free deposit of INR 47.27 million. The term of the lease is 30 years. The lease is terminable by Mr. Ravi Gupta by giving two months notice on non-payment of rent and by OPGPG by giving 4 months notice. The lease deed is yet to be registered but the lessor has mortgaged the land in favour of the lenders of OPGPG.

15.6 OPGPG has also leased 18.09 acres from Tamil Nadu Property, a captive user and a shareholder in both OPGG and OPGRE, for a yearly rent of Rs. 500/- per acre together with an approximately INR 39.08 million deposit. The lease, which is on similar terms as the lease with Ravi Gupta as set out in paragraph 15.5 above, is for a term of 30 years and is terminable by Tamil Nadu Property by giving two months notice on non-payment of rent. The lease deed is yet to be registered but the lessor has mortgaged the land in favour of the lenders of OPGPG.

15.7 OPGE has also entered into a power purchase agreement with Salem Food Products Limited ("Salem Foods") on 4 March 2002. The term of the agreement has been stated to be for a duration of 10 years which may be extended, renewed, amended or replaced by another agreement on or before the expiry of this agreement. OPGE may terminate the agreement immediately and without any notice, in the event of a default in payment by Salem Food. In order to terminate the

agreement for any other reason, OPGE would be required to give 60 days prior written notice to Salem Food. Salem Food may also terminate the agreement by giving 60 days notice to OPGE prior to termination. The current tariff under this agreement is the TNEB tariff less 7.5 per cent..

15.8 OPGE has also entered into a PPA with Kanishk Steel on 27 February 2002. On 25 February 2007, The term of the agreement was extended for another 10 years. OPGE may terminate the agreement immediately and without any notice, in the event of a default in payment by Kanishk Steel. To terminate the agreement for any other reason, OPGE would be required to give 60 days prior written notice to Kanishk Steel. Kanishk Steel may also terminate the agreement by giving 60 days notice to OPGE prior to termination. The current tariff under this agreement is the TNEB tariff less 7.5 per cent. Kanishk Steel as a captive user is a shareholder in OPGE.

15.9 A PPA was entered into between OPGE and South India Steel and Starch Industries on 1 March 2002. The term of the agreement has now been extended to 25 February 2017. OPGE may terminate this agreement if there is a default in payment by South India Steel. For any other reason, OPGE would be required to give 60 days prior written notice to South India Steel for terminating the agreement. South India Steel may also terminate the agreement by giving 60 days notice to OPGE prior to termination. The current tariff under this agreement is the TNEB tariff less 7.5 per cent.

15.10 OPGE has entered into two lease agreements with OPG Metals Power Division for the lease of approximately 0.62 acres of land at Marthur Village, dated 26 May and 20 June 2006. The leases are on similar terms. The rent payable under both is Rs. 500 per annum and the lease can be renewed on mutually agreed terms.

15.11 The Placing Agreement, Lock-In Agreements and Nomad Agreement described in paragraph 14.5 to 14.7 also constitute related party transactions.

16 Voting Agreements

16.1 OPGPG and Tamil Nadu Properties entered into a voting agreement on 26 April 2008 whereby Tamil Nadu Properties, in consideration of OPGPG agreeing to subscribe for shares in OPGE, agreed to exercise all its voting rights at general meetings of OPGE until 30 November 2011 in accordance with the directions of OPGPG, in respect of 110,660 Class B shares ("B Shares") held by it in OPGE, aggregating to 18.44 per cent. of the current voting rights in OPGE.

Further to the above, Tamil Nadu Properties appointed OPGPG as its lawful attorney to exercise its voting rights with respect to its voting B Shares. The voting agreement also requires OPGPG to procure proxies from Tamil Nadu Properties for attending general meetings of OPGE. Once the proxies are issued in favour of OPGPG, OPGPG would be entitled to attend and vote at general meetings of OPGE on behalf of Tamil Nadu Properties.

16.2 OPGPG and Salem Food Products Limited ("Salem Food") entered into a voting agreement on 26 April 2008 whereby Salem Food, in consideration of OPGPG agreeing to subscribe for shares in OPGE, agreed to exercise all its voting rights at general meetings of OPGE until 30 November 2011 in accordance with the directions of OPGPG, in respect of 110,660 Class B equity shares ("B Shares") held by it in OPGE, aggregating to 18.44 per cent. of the current voting rights of OPGE.

Further to the above, Salem Food irrevocably appointing OPGPG as its lawful attorney to exercise its voting rights with respect to its voting B Shares. The voting agreement also requires OPGPG to procure proxies from Salem Food for attending general meetings of OPGE. Once the proxies are issued in favour of OPGPG, OPGPG would be entitled to attend and vote at general meetings of OPGE on behalf of Salem Food.

16.3 Gita Energy and Salem Food entered into a voting agreement on 12 May 2008 whereby Salem Food, in consideration of Gita Energy agreeing to subscribe for shares in OPGRE, agreed to exercise all its voting rights at general meetings of OPGRE until 30 November 2011 in accordance with the directions of Gita Energy, in respect of 220,000 Class B equity shares ("B Shares") held by it in OPGRE, aggregating to 28.20 per cent. of the current voting rights of OPGRE.

Further to the above, Salem Food irrevocably appointed Gita Energy as its lawful attorney to exercise its voting rights with respect to its voting B Shares. The voting agreement also requires Gita Energy to procure proxies from Salem Food for attending general meetings of OPGRE. Once the proxies are issued in favour of Gita Energy, Gita Energy would be entitled to attend and vote at general meetings of OPGRE on behalf of Salem Food.

16.4 Gita Energy and Tamil Nadu Properties entered into a voting agreement on 12 May 2008 whereby Tamil Nadu Properties, in consideration of Gita Energy agreeing to subscribe for shares in OPGRE, agreed to exercise all its voting rights at general meetings of OPGRE until 30 November 2011 in accordance with the directions of Gita Energy in respect of 219,600 Class B shares ("B Shares") held by it in OPGRE, aggregating to 28.15 per cent. of the current voting rights of OPGRE.

Further to the above, Tamil Nadu Properties appointed Gita Energy as its lawful attorney to exercise its voting rights with respect to its voting B Shares. The voting agreement also requires Gita Energy to procure proxies from Tamil Nadu Properties for attending general meetings of OPGRE. Once the proxies are issued in favour of Gita Energy, Gita Energy would be entitled to attend and vote at general meetings of OPGRE on behalf of Tamil Nadu Properties.

17 Employees

Given the Group's outsourcing arrangement with EPC and O&M contractors, it is the EPC and O&M contractors that deal with the majority of staffing requirements. The Group itself directly employed on average 28 people during the financial year ended 2008, 12 people during the financial year ended 2007 and 10 people during the financial year ended 2006. During the most recent financial year the Group engaged 3 temporary staff.

18 Litigation

No member of the Group is or has been involved in any legal or arbitration proceedings which are active, pending or threatened against it, or being brought by it, which are having or may have a significant effect on the Group's financial position or profitability.

19 Taxation

19.1 ***General***

19.1.1 The following statements are of a general and non-exhaustive nature based on the Directors' understanding of the current tax legislation and practice of the tax authorities in the Isle of Man and the United Kingdom and may not apply to certain shareholders in the Company, such as dealers in securities, insurance companies and collective investment schemes. They relate to individuals who are resident and ordinarily resident in the United Kingdom for United Kingdom tax purposes, who are beneficial owners of Ordinary Shares and who hold their Ordinary Shares as an investment.

19.1.2 An investment in the Company involves a number of complex tax considerations. Changes in tax legislation in any of the countries in which the Company will have investments or in the Isle of Man or the United Kingdom (or in any other country in which a subsidiary of the Company through which investments are made, is located), or changes in tax treaties negotiated by those countries, could adversely affect the return from the Company to investors.

19.1.3 Prospective investors should consult their professional tax advisers on the potential tax consequences of subscribing for, purchasing, holding, converting or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

19.2 ***Isle of Man Taxation***

19.2.1 *Tax residence in the Isle of Man*

The Company is resident for taxation purposes in the Isle of Man by virtue of being incorporated in the Isle of Man.

19.2.2 *Zero Rate of Corporate Income Tax in the Isle of Man*

The standard rate of income tax applicable to companies in the Isle of Man is zero per cent., with the exception of income which has derived from certain banking business or land and property situated in the Isle of Man, with the applicable tax rate being 10 per cent. The profits of the Company will be subject to the standard rate of income tax in the Isle of Man therefore the tax liability will be zero. There are no withholding tax implications in respect of dividends paid by the Company.

With effect from 6 April 2006 the Isle of Man has also introduced, the Distributable Profits Charge ("DPC"). The effect of DPC, where applicable, is to impose a charge on that proportion of the Company's profits that are attributable to Isle of Man resident shareholders. However, because, upon admission, the Ordinary Shares are traded on a recognised stock exchange, the Company will be regarded as a distributing company and will not have to account for DPC on any Isle of Man resident shareholders interests

19.2.3 *Capital Taxes in the Isle of Man*

There are no capital or stamp taxes in the Isle of Man (save for capital duty applicable to companies incorporated under the IOM CA 1931). No capital duty is payable by companies incorporated under the IOM CA 2006. As such, the Company is not liable to pay capital duty. No Isle of Man stamp duty or stamp duty reserve tax will be payable on the issue or transfer of, or any other dealing in, Ordinary Shares.

19.2.4 *Isle of Man Probate*

In the event of the death of a sole holder of Ordinary Shares, an Isle of Man grant of probate or administration may be required, in respect of which certain fees will be payable to the Isle of Man Government.

19.2.5 *EU Savings Tax Directive*

The EU Savings Directive is an agreement between Member States of the European Union (EU) which requires each Member State to exchange information (or in the case of certain Member States, of a choice between exchange of information and a withholding tax) in respect of EU residents who earn interest on savings in one Member State but live in another. Although the Isle of Man is not part of the EU and has not adopted the EU Savings Directive, it has put in place legislation and agreements with each of the EU Member States that support the aims of the EU Savings Directive. However, the Isle of Man's operation of this regime does not extend to dividend payments by close ended companies such as the Company.

19.3 ***UK taxation***

19.3.1 *The Company*

It is the intention of the Directors to conduct the affairs of the Company so that the management and control of the Company is not exercised in the UK and so that the Company is not resident in the UK for taxation purposes nor carries on any trade in the UK (whether or not through a permanent establishment situated there). On that basis and on the assumption that it has no UK source income the Company should not be liable for UK taxation on its income or capital gains.

19.3.2 *UK Resident Shareholders*

19.3.3 *Taxation of dividends on Ordinary Shares*

A distribution by the Company with respect to the Ordinary Shares in the form of a dividend may give rise to income chargeable in the United Kingdom to either income tax or corporation tax on income. In the case of a dividend, individuals domiciled and ordinarily resident for tax purposes in the United Kingdom who are liable to income tax at the starting or basic rate will be taxed at the ordinary rate (10 per cent.). An individual who is a higher rate taxpayer will be chargeable to tax at the upper rate (32.5 per cent.). Non-taxpayers will have no liability to income tax. United Kingdom resident corporate shareholders will normally be liable for corporation tax on any dividends paid by the Company. No withholding tax will be deducted from dividends paid by the Company.

19.3.4 *Taxation of capital gains*

Depending on their circumstances, Shareholders who are resident or, in the case of individuals, ordinarily resident in the UK for taxation purposes, may be subject to capital gains tax (or, in the case of corporate Shareholders, corporation tax on capital gains) in respect of any gain arising on a disposal, including a disposal on a winding up of the Company of their shares unless the Shareholder is taxed as a dealer in securities, in which case any gain will be treated as income and taxed as such.

Shareholders who are not resident or ordinarily resident in the UK for taxation purposes will not normally be liable to UK taxation on chargeable gains arising from a disposal of shares unless they carry on a trade, profession or vocation in the UK through a branch or agency in connection with which the shares are held. However, such Shareholders may be subject to charges to foreign taxation depending upon their personal circumstances. In addition, individual Shareholders who are temporarily non-UK resident may be liable to UK capital gains tax under anti-avoidance legislation.

19.3.5 *Stamp Duty and Stamp Duty Reserve Tax*

The following comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and do not relate to persons such a dealers, intermediaries and persons connected with voluntary arrangements, clearance services or depository receipts, to whom special rules apply. No UK stamp duty, or stamp duty reserve tax, will be payable on the issue of the Ordinary Shares. UK stamp duty (at the rate of 0.5 per cent. of the amount of the value of the consideration for the transfer, rounded up where necessary to the nearest £5) is payable on any instrument of transfer of the Ordinary Shares executed within, or in certain cases brought into, the UK. Provided that the Ordinary Shares are not registered in any register kept in the UK by or on behalf of the Company, nor are paired with shares issued by a body corporate incorporated in the UK, any agreement to transfer the Ordinary Shares will not be subject to UK stamp duty reserve tax.

The information in this paragraph is a general summary of certain tax relief's which may be available and should not be construed as constituting advice. It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers before investing in Ordinary Shares. Taxation consequences will depend on particular circumstances.

Neither the Company nor any of its officers, employees, agents and advisers accepts any liability or responsibility in respect of taxation consequences connected with an investment in Ordinary Shares in the Company.

20 Isle of Man Law

20.1 The Isle of Man is an internally self-governing dependent territory of the British Crown. It is politically and constitutionally separate from the UK and has its own legal system and jurisprudence based on English common law principles. The UK Government is, however, responsible for the Isle of Man's foreign affairs and defence and, with the Isle of Man consent, the UK Parliament may legislate for the Isle of Man in some areas of common concern (such as nationality and immigration matters).

20.2 The Isle of Man's relationship with the European Union is set out in Protocol 3 of the Act of Accession annexed to the Treaty of Accession 1972, by virtue of which the UK became a member of the European Community. The Isle of Man is neither a member state nor an associate member of the European Community. By virtue of Protocol 3, the Isle of Man is part of the customs territory of the EU. Therefore the common customs tariff, levies and other agricultural import measures apply to trade between the Island and non-member countries. There is free movement of goods and agricultural products between the Isle of Man and the EU, but the EU provisions which relate to trade in financial services and products and those in respect of the free movement of persons, services and capital do not apply to the Isle of Man. Consequently, European Community law has direct application to the Isle of Man only for very limited purposes.

20.3 ***Corporate Law in the Isle of Man***

The IOM CA 2006 came into force on 1 November 2006 and introduced a new simplified Isle of Man corporate vehicle (based on the international business company model available in a number of other jurisdictions). The IOM CA 2006 is largely a stand alone piece of legislation and companies incorporated under the IOM CA 2006 ("2006 Companies") co-exist with present and future companies incorporated under the existing IOM CA 1931.

(a) *Key features of a 2006 Company*

A 2006 Company is a legal entity in its own right, separate from its members, and will continue in existence until it is dissolved in the same way as 1931 Companies.

Every 2006 Company is required, at all times, to have:

(i) a registered agent in the Isle of Man who holds the appropriate licence granted by the Isle of Man Financial Supervision Commission (ensuring that there is a licensed professional on the Isle of Man overseeing the administration of the company); and

(ii) a registered office address in the Isle of Man.

(b) *Power and capacity*

The doctrine of ultra vires does not apply to 2006 Companies. The IOM CA 2006 expressly states that, notwithstanding any provision to the contrary in a company's memorandum or articles of association and irrespective of corporate benefit and whether or not it is in the best interests of a company to do so, a company has unlimited capacity to carry on or undertake any business or activity, to do, or to be subject to, any act or to enter into any transaction.

Notwithstanding this, the directors of 2006 Companies are still subject to the various duties imposed to directors by common law and statute as well as fiduciary duties (such as the duty to act bona fide in the best interests of the company).

(c) *Directors*

Unlike a 1931 Company, a 2006 Company is permitted to have a single director which may be an individual or, subject to compliance with certain requirements, a body corporate.

(d) *Members*

The Act contains very few prescriptive rules relating to members' meetings. Companies are not required to hold annual general meetings and the IOM CA 2006 allows members' meetings to be held at such time and in such places, within or outside the Isle of Man, as the convener of the meeting considers appropriate. However, as is the case with the Company's constitutional documents (see paragraph 8 of Part VII of this document), more prescriptive requirements relating to members' meetings can be included in a company's articles of association.

Subject to contrary provision in the IOM CA 2006 or in a company's memorandum or articles, members exercise their powers by resolutions:

(i) passed at a meeting of the members; or

(ii) passed as a written resolution.

The concept of "ordinary", "special" and "extraordinary" resolutions is not recognised under the Act and resolutions passed at a members' meeting only require the approval of a member or members holding in excess of 50 per cent. of the voting rights exercised in relation thereto. However, as permitted under the IOM CA 2006, the Company's Articles incorporate the concept of a "special resolution" (requiring the approval of members holding 75 per cent. or more of the voting rights exercised in relation thereto) in relation to certain matters which include, *inter alia*, non-pre-emptive share issues for cash above certain limits, changes to the Articles, a reduction of share capital and winding-up of the Company.

(e) *Shares*

The provisions relating to shares and share capital in the IOM CA 2006 are more relaxed than the equivalent provisions applying to 1931 Companies.

The Act provides that shares in a company may (without limitation):

(i) be convertible, common or ordinary;

(ii) be redeemable at the option of the shareholder or the company or either of them;

(iii) confer preferential rights to distributions;

(iv) confer special, limited or conditional rights, including voting rights; or

(v) entitle participation only in certain assets.

(f) *Distributions and the solvency test*

The IOM CA 2006 introduced a new definition of "distribution" in relation to a distribution by a 2006 Company of its assets to its members. A "distribution" essentially means the direct or indirect transfer of company assets or the incurring of a debt by a company to or for the benefit of a member and includes the payment of dividends and the redemption, purchase or other acquisition by a company of its own shares.

The IOM CA 2006 permits the directors of a company to authorise a distribution by the company to its members at such time and of such amount as they think fit if they are satisfied, on reasonable grounds, that the company will, immediately after the distribution, satisfy the solvency test.

A company satisfies the "solvency test" if:

(i) it is able to pay its debts as they become due in the normal course of its business; and

(ii) the value of its assets exceeds the value of its liabilities.

The solvency test replaces the traditional capital maintenance requirements which apply to 1931 Companies. Provided that the solvency test has been satisfied, dividends may be paid and shares redeemed or purchased out of any capital or profits of the company.

(g) *Accounting records*

The accounting requirements imposed on 2006 Companies under the IOM CA 2006 are far less prescriptive than those imposed on 1931 Companies. The IOM CA 2006 simply requires a company to keep reliable accounting records which:

(i) correctly explain the transactions of the company;

(ii) enable the financial position of the company to be determined with reasonable accuracy at any time; and

(iii) allow financial statements to be prepared.

(h) *Offering documents*

The IOM CA 2006 does not distinguish between public and private companies and (subject to any restrictions in a company's memorandum or articles of association) a 2006 Company can offer its securities to the public.

If an offering document is issued in relation to a company, the criteria with which that offering document must comply are far less prescriptive then the traditional prospectus requirements which apply to 1931 Companies. The IOM CA 2006 simply requires the directors of a 2006 Company to ensure that any offering document issued in relation to that company contains all material information relating to the offer or invitation contained therein:

(i) that the intended recipients would reasonably expect to be included therein in order to enable them to make an informed decision as to whether or not to accept the offer or make the application referred to therein; and

(ii) of which the directors or proposed directors were aware at the time of issue of the offering document or of which they would have been aware had they made such enquiries as would have been reasonable in all the circumstances; and

(iii) sets out such information fairly and accurately.

(i) *Statutory books*

Originals or copies (as appropriate) of various documents, including the constitutional documents, statutory books and accounting records of a 2006 Company, are required to be kept at the office of the Registered Agent.

21 General

21.1 Save as disclosed in this document, there are no patents or other intellectual property rights, licences or particular contracts that are of fundamental importance to the Company's business.

21.2 The gross proceeds of the Placing are expected to be approximately £65.1 million. The total costs and expenses (including professional fees, printing and advertising costs and the amounts payable pursuant to the Placing Agreement) payable by the Company in relation to the Placing and the application for Admission are estimated to amount to approximately £3.5 million (exclusive of VAT) and are payable by the Company. The principal intended uses of the proceeds are to construct and operate additional power plants, complete the equity financing of OPGPG and to finance the funding of OPGG.

21.3 Save as set out below or otherwise in this document, no person (excluding professional advisers and trade suppliers or otherwise disclosed in this document) has received, directly or indirectly, within the 12 months preceding the application for Admission or entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:

(a) fees totalling £10,000 or more;

(b) securities where these have a value of £10,000 or more calculated by reference to the Placing Price; or

(c) any other benefit with a value of £10,000 or more at the date of Admission.

21.4 Save as disclosed in this document, there has been no material change in the financial or trading position of the Company since 31 December 2007, the date to which the historical financial information on the Company set out in Part IVA of this document has been drawn up.

21.5 Save as disclosed in this document, there has been no material change in the financial or trading position of OPGE, OPGPG, OPGRE or OPGG since 31 December 2007, the date to which the unaudited financial information set out in Part V of this document has been drawn up.

21.6 The principal activities of the Group are as described in Part 1 of this document. Save as disclosed in Part 1 of this document, there are no exceptional factors which have influenced the Group's activities.

21.7 Other than the current application for Admission, the Ordinary Shares have not been admitted to dealing on any investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for there to be dealings in the Ordinary Shares on any such exchange.

21.8 There are no arrangements in place under which future dividends are to be waived or agreed to be waived.

21.9 Of the price being paid to the Company for the Ordinary Shares 0.0147p represents the nominal value and 59.9853p represents premium.

21.10 Save as disclosed in this document, there are no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

21.11 The accounting reference date of the Company is 31 March. The first accounting period of the Company will end on 31 March 2009.

21.12 All the information provided in this document has been sourced from the Company and the Company's other advisers named on page 4 of this document. All such information has been accurately reproduced and so far as the Company is aware and is able to ascertain no facts have been omitted which would render the reproduced information inaccurate or misleading. Where information set out in this document has been sourced from a third party the Company confirms that this information has been accurately reproduced and that, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

21.13 The auditors of the Company who were appointed on 9 May 2008 are Deloitte Haskins & Sells.

21.14 Save as set out in paragraphs 14.5 of this document, no commission is payable by the Company to any person in consideration of his agreeing to subscribe for securities to which this document relates or of his procuring or agreeing to procure subscriptions for such securities.

21.15 No paying agent has been appointed by the Company.

21.16 Save as disclosed in this document, there are no investments in progress, and there are no future investments on which the Directors have already made firm commitments, which are significant to the Group.

22 Consents

22.1 Cenkos of 6.7.8 Tokenhouse Yard, London EC2R 7AS is regulated by the Financial Services Authority for the conduct of investment business in the UK. Cenkos has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which it appears.

22.2 Grant Thornton UK LLP of Grant Thornton House, Melton Street, Euston Square, London NW1 2EP has given and has not withdrawn its written consent to the inclusion of its reports set out in Parts IV of this document and the references to such reports, in the form and context in which they appear.

23 Availability of Admission Document

Copies of this document are available free of charge from the registered office of the Company and from the office of Cenkos, 6.7.8 Tokenhouse Yard, London EC2R 7AS during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this document and will remain available for at least 30 days after the date of Admission.

Dated 23 May 2008

PART VIII

DEFINITIONS AND GLOSSARY

The following definitions apply throughout this document unless the context otherwise requires:

"2006 Company"	companies incorporated under the IOM CA 2006
"£" and "p"	pounds and pence Sterling, the lawful currency of the UK
"Admission"	the admission of the Existing Ordinary Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
"AIM"	the AIM market operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies published, from time to time, by the London Stock Exchange governing admission to, and the operation of, AIM
"AIM Rules for Nominated Advisers"	the AIM Rules for Nominated Advisers published by the London Stock Exchange containing the rules and responsibilities of nominated advisers
"Ansaldo"	Ansaldocaldaie Boilers India Private Limited
"Articles"	the articles of association of the Company as amended from time to time
"AS Klaveness"	AS Klaveness Chartering
"Audit Committee"	a committee established, amongst other things, to determine the terms of engagement of the Company's auditors
"Bharat"	Bharat Heavy Electricals Limited
"Board"	the board of directors of the Company at the date of this document
"BSES"	BSES Limited
"Captive Power Plant" or "CPP"	a power plant set up by any person to generate electricity primarily for his own use and for use by members of the same group
"Cenkos"	Cenkos Securities Plc, the Company's nominated adviser and broker (as defined in the AIM Rules), a member of the London Stock Exchange and regulated by the Financial Services Authority
"CIF"	cost insurance and freight
"City Code"	The City Code on Takeovers and Mergers (as published by the Panel)
"Combined Code"	the code of best practice including the principles of good corporate governance published in June 2006 by the Financial Reporting Council
"Company" or "OPG"	OPG Power Ventures plc, a company incorporated in the Isle of Man with registered number 002198V
"CREST"	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertified Securities Regulations 2006 (as amended or replaced from time to time)
"Crores"	a unit in the Indian numbering system denoting ten million

"Cypriot Subsidiaries"	Gita Holdings and Gita Energy
"Directors"	the directors of the Company as at the date of this document, whose names are set out on page 4 of this document
"Disclosure Rules"	Transparency Obligations Directive (Disclosure and Transparency Rules) Instrument 2006 (FSA 2006/70)
"dolochar"	a waste by-product from the manufacture of sponge iron
"EA 2003"	the Indian Electricity Act 2003
"Electricity Rules 2005"	The Indian Electricity Rules 2005
"Eleventh Plan"	Eleventh Economic Plan of the Government of India running from March 2007 to March 2012
"Enlarged Share Capital"	the issued ordinary share capital of the Company immediately following Admission
"Ennore"	Ennore Foundaries Limited
"EPC"	engineering, procurement and construction
"EPCG Scheme"	Export Promotion Capital Goods Scheme
"ERISA"	the United States Employee Retirement Income Security Act 1974
"Existing Ordinary Shares"	the Ordinary Shares in issue at the date of this document
"FDI"	foreign direct investment
"FOB"	free on board
"FSA"	Financial Services Authority
"FSMA"	the Financial Services and Markets Act 2000, (as amended)
"GAIL"	Gas Authority of India Limited
"GCPP"	group captive power plant
"GCPP Regulation"	EA 2003 and Ministry of Power Notification dated 8 June 2005
"GDP"	gross domestic product
"Gita Energy"	Gita Energy Pvt Limited (formerly known as Stiltofa Investments Limited)
"Gita Holdings"	Gita Holdings Pvt Limited (formerly known as Storili Investments Limited)
"Gita Power"	Gita Power Inc.
"Gita Investments"	Gita Investment Limited
"Government"	Government of India
"Group"	the Company, the Cypriot Subsidiaries, OPGE, OPGG, OPGPG and OPGRE
"GUVNL"	Gujarat Urja Vikas Nigam Limited
"Handymax or Supramax"	a bulk carrier of deadweight tonnage
"INR" or "Rs"	the lawful currency of India
"Interconnection Pipeline"	the gas pipeline running from the Narimanan to Kuthalam zone
"IOM CA 1931"	the Companies Act 1931 to 2004 of the Isle of Man (as amended)
"IOM CA 2006"	the Companies Act 2006 of the Isle of Man (as amended)
"IPPs"	independent power producers
"JV Partners"	joint venture partners
"Kanishk Steel"	Kanishk Steel Industries Limited

"KISL"	Knowledge Infrastructure Systems Pvt Limited
"KL Concast"	KL Concast Private Limited
"KWH"	kilo watts per hour
"lakh"	a unit in the Indian numbering system equal to 100,000
"London Stock Exchange"	London Stock Exchange plc
"mcm"	thousand cubic metres
"Meridian"	Precot Meridian Limited (formerly known as Meridian Industries Limited)
"Memorandum"	the memorandum of association of the Company as amended from time to time
"Mini Capsize"	a bulk carries of deadweight tonnage
"Ministry of Power"	Ministry of Power for the Government of India
"Ministry of Power Notification"	Notification from the Ministry of Power dated 8 June 2005
"MOU"	memorandum of understanding
"MW"	megawatt, a measure of power equal to one million watts or one thousand kilowatts
"O&M"	operation and maintenance
"Official List"	the Official List of the UK Listing Authority
"ONGC"	Oil and Natural Gas Corporation Ltd
"OPG Metals"	OPG Metals Private Limited
"OPGE"	OPG Energy Private Limited
"OPGG"	OPG Power Gujarat Private Limited
"OPGPG"	OPGPG Private Limited
"OPGRE"	OPG Renewable Energy Private Limited
"Ordinary Shares"	the ordinary shares of £0.01 each in the capital of the Company
"Panamax"	the maximum possible size of a ship it is possible to fit through the Panama Canal
"Panel"	the Panel on Takeovers and Mergers
"Placing"	the proposed conditional placing on behalf of the Company of 108,418,367 Ordinary Shares at the Placing Price by Cenkos, pursuant to the Placing Agreement
"Placing Agreement"	the agreement to be entered into, *inter alia*, between the Company, the Directors and Cenkos relating to the Placing, details of which are set out in paragraph 14.5 of Part VII of this document
"Placing Price"	60 pence per Ordinary Share, being the price at which each Ordinary Share is to be issued under the Placing
"plant load factor"	a measure of the out put of a power plant compared to the maximum out put its could produce
"PNB"	Punjab National Bank Ltd
"PPA"	power purchase agreement
"Prospectus Rules"	the prospectus rules of the Financial Services Authority made under Part VI of the FSMA

"Registered Agent"	WiltonGroup (IOM) Limited
"Regulation S"	Regulation S promulgated under the US Securities Act
"Remuneration Committee"	a committee which determines the ordinary remuneration of the Directors for their services
"SAIL"	Steel Authority of India
"scm"	standard cubic metre
"SEB"	State Electricity Board
"Shareholders"	shareholders in the Company
"Shriram EPC"	Shriram EPC Limited
"Sonal Vyapar"	Sonal Vyapar Limited
"SPV"	special purpose vehicle
"Subsidiary"	as defined in section 220 IOM CA 2006
"T&D"	transmission and distribution
"Takeover Code"	the code issued by the Panel on Takeovers and Mergers
"Tata Power"	Tata Power Trading Company Limited
"Tenth Plan"	Tenth Economic Plan of the Government of India running from March 2002 to March 2007
"TNEB"	Tamil Nadu Electricity Board
"TNERC"	Tamil Nadu Electricity Regulator Commission
"UK"	the United Kingdom of Great Britain and Northern Ireland
"UK CA 1985"	the Companies Act 1985 of England and Wales (as amended)
"UK CA 2006"	the Companies Act 2006 of England and Wales (as amended)
"UK Listing Authority"	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA and in the exercise of its functions in respect of admission to the Official List
"US$ or $"	the lawful currency of the United States of America
"US Code"	the US Internal Revenue Code of 1986, as amended
"US Securities Act"	the US Securities Act of 1933, as amended
"VAT"	value added tax as provided in the Value Added Tax Act 1994
"Warrants"	the warrants to subscribe for Ordinary Shares pursuant to the Warrant Instrument granted by the Company to Cenkos
"Warrant Instrument"	the warrant instrument of the Company dated 23 May 2008, a summary of which is set out in paragraph 14.8 of Part VII of this document
"Wartsila"	Wartsila India Limited
"Wheeling Charge"	an amount charged in cash or in kind by one electrical system (generally the SEB) to transmit the energy, of and for, another system or systems

Power Ventures Plc.