

Indiabulls

P O W E R

INDIABULLS POWER LIMITED.

Registered Office: E-29, 1st Floor, Connaught Place, New Delhi - 110001

NOTICE

Notice is hereby given that the Third Annual General Meeting of the Members of **INDIABULLS POWER LIMITED.** will be held on Thursday, the 30th day of September, 2010 at 10:30 A.M. at Centaur Hotel, IGI Airport, Delhi-Gurgaon Road, New Delhi 110 037, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2010, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shamsheer Singh Ahlawat, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rajiv Rattan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint the Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s Deloitte Haskins & Sells, Chartered Accountants (Registration No. 117365W) be and are hereby appointed as Auditors of the Company, to hold office as such from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors."

SPECIAL BUSINESS:

ITEM NO. 5

To consider, and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the Articles of Association of the Company, the Listing Agreements with stock exchanges, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("**SEBI Guidelines**"), as amended from time to time, the applicable guidelines and clarifications issued by the Reserve Bank of India and any other statutory/regulatory authorities, consent of the shareholders be and is hereby accorded:

- (a) to the ratification of the existing employee stock option schemes of the Company which were in existence prior to its initial public offering of the equity shares, namely (i) SPCL - IPSL Employee Stock Option Plan-2008 and (ii) Indiabulls Power Limited. Employee Stock Option Scheme- 2009 (the "**Stock Option Schemes**")
- (b) (i) to the variation in the terms of the Stock Option Schemes so as to provide that the exercise price payable by the option grantees under the Stock Option Schemes shall be the market price of the equity shares of the Company as on the date of grant, the market price being the latest available closing price prior to the date of meeting of the Board of Directors (hereinafter referred to as the Board which term shall be deemed to include the Compensation Committee constituted by the Board) in which the options are granted.
- (ii) to the amendment in the definition of the term exercise price as currently provided under the said stock option schemes.

ITEM NO. 6:

To consider, and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the Articles of Association of the Company, the Listing Agreements with stock exchanges, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("**SEBI Guidelines**"), as amended from time to time, the applicable guidelines and clarifications issued by the Reserve Bank of India and any other statutory/regulatory authorities, consent of the shareholders be and is hereby accorded:

- (a) to the ratification of the existing employee stock option schemes of the Company which were in existence prior to its initial public offering of the equity shares, namely (i) SPCL - IPSL Employee Stock Option Plan-2008 and (ii) Indiabulls Power Limited. Employee Stock Option Scheme- 2009 (the "**Stock Option Schemes**")
- (b) (i) to the variation in the terms of the Stock Option Schemes so as to provide that the exercise price payable by the option grantees under the Stock Option Schemes shall be the market price of the equity shares of the Company as on the date of grant, the market price being the latest available closing price prior to the date of meeting of the Board of Directors (hereinafter referred to as the Board which term shall be deemed to include the Compensation Committee constituted by the Board) in which the options are granted.
- (ii) to the amendment in the definition of the term exercise price as currently provided under the said stock option schemes.

In so far as the stock options relate to the options granted/to be granted to the employees of the subsidiary companies of the Company or that of its holding company.

Item no. 7:

To consider, and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT, pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the Articles of Association of the Company, the Listing Agreements with stock exchanges, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time, the applicable guidelines and clarifications issued by the Reserve Bank of India and any other statutory/regulatory authorities, consent of the shareholders be and is hereby accorded for amending the SPCL - IPSL Employee Stock Option Plan 2008 and , Indiabulls Power Limited. Employee Stock Option Scheme- 2009 (the "**Stock Option Schemes**") earlier consented to/ approved by the shareholders, to empower the Board of Directors of the Company (which expression

shall also include a Committee thereof) to entrust the holding of Securities for the benefit of the Eligible Employees and to manage the implementation of the Stock Option Schemes, by the Employees Welfare Trust, in accordance with the terms of the respective Stock Option Schemes."

By Order of the Board
For **Indiabulls Power Limited**.

Gaurav Toshkhani
Company Secretary

Place: New Delhi
Dated: August 31, 2010

Notes:

1. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 24th day of September, 2010 to Thursday, the 30th day of September, 2010 (both days inclusive).
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself. A proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company at its registered office, not less than 48 hours before the meeting. A proxy so appointed shall not have any right to speak at the meeting. A body corporate being a member shall be deemed to be personally present at the meeting if represented in accordance with the provisions of Section 187 of the Companies Act, 1956. The representative so appointed, shall have the right to appoint a proxy.
3. Members holding shares in physical form are requested to promptly notify any change in their address to the Company's Registrar and Transfer Agent, M/s Karvy Computershare Private Limited, Plot Nos. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081. Members holding shares in dematerialized form are requested to notify the aforesaid changes to their depository participants.
4. Members, proxies and authorized representatives attending the annual general meeting are requested to bring with them the following:
 - (a) Members holding shares in dematerialized form - the details of their DP & Client ID Numbers.
 - (b) Members holding shares in physical form - the details of their Folio Numbers.
 - (c) The Attendance Slip duly completed and signed in terms of specimen signature lodged with the Company and a copy of the annual report.
 - (d) In case of Bodies Corporate, the authorized representative should bring with him / her a certified copy of the relevant Board / Governing Body Resolution of the entity concerned. In the event such a person wants to appoint a proxy to represent himself / herself, the conditions as outlined above, as to proxy / deposition of the proxy with the Company, would apply. The proxy form in such a case should be accompanied by a certified copy of the relevant resolution.

The Company would accept only the Attendance Slip from a member actually attending the Meeting or from the duly appointed representative of a body corporate, attending the meeting on its behalf; or from the person attending as a proxy under a valid proxy form registered with the Company not less than 48 hours prior to the meeting. Attendance Slips of Members /valid proxies not personally present at the Meeting, or relating to Proxies which are invalid, will not be accepted from any other member / person.

5. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to special business to be transacted at the Meeting, is annexed hereto.
6. As stipulated under Clause 49 of the Listing Agreement, information in respect of Directors seeking re-appointment at the meeting is given in the Corporate Governance Report which forms part of the Annual Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item no. 5 & 6

The Employee stock option schemes currently in force in the Company namely SPCL- IPSL Employee Stock Option Plan-2008 and Indiabulls Power Limited. Employee Stock Option Scheme- 2009 had been framed prior to the initial public offering of the Company in the month of October 2009 and it is now sought to have the said schemes ratified by the shareholders in terms of the requirements of the SEBI guidelines, by way of the resolution set out at item no. 5(a) vis-à-vis the options granted/to be granted to employees of the Company and the resolution set out at item no. 6(a) vis-à-vis the options granted/to be granted to the employees of the subsidiaries of the Company or that of its holding Company.

The principal terms and conditions of the stock option schemes as aforesaid are as under:

Main features of the Schemes		SPCL-IPSL Employee Stock Option Plan- 2008	Indiabulls Power Limited Employee Stock Option Scheme-2009
1.	Total number of options granted	2,00,00,000	2,00,00,000
2.	Identification of employees	Permanent employees of the Company and its subsidiaries and that of its holding company (including Directors other than promoter directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company) selected on the basis of their performance, seniority, length of service, future potential contribution and other criteria as the Board may in its absolute discretion decide.	Permanent employees of the Company and its subsidiaries and that of its holding company (including Directors other than promoter directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company) selected on the basis of their performance, seniority, length of service, future potential contribution and other criteria as the Board may in its absolute discretion decide.
3.	Vesting period and percentage	10 years, 10% each year	10 years, 10% each year
4.	First vesting date	January 10, 2008 and September 15, 2008	July 6, 2010
5.	Exercise price	Rs. 10 per share and Rs. 26 per share	Rs. 14 per share
6.	Exercise period	Five years from the date of respective vesting	Five years from the date of respective vesting

7. Taxes/Levies

In the event of any tax liability arising on account of the issue of Options and / or allotment or transfer of the shares to the Employee, the liability shall be that of the Employee alone. The Employee shall indemnify the Company and/or the subsidiary and/or the holding company, as applicable, against any tax or other liabilities.

All tax liabilities arising on disposal of the equity shares after exercise shall be borne by the Employee.

Tax on the perquisite value, if any, shall be paid by the Employee on exercise or else it shall be deducted from the Employee's salary for the subsequent month(s).

8. Accounting policies

The Company shall conform to the accounting policies prescribed by Securities and Exchange Board of India and as specified by the SEBI Guidelines from time to time.

9. Method of valuation

The Company shall follow the intrinsic value method for computing the compensation cost for the Options Granted. The difference between the compensation cost so calculated and the compensation cost that would have been recognised if the Company had used fair value method and its impact on the profits and earnings per share shall be disclosed in its Directors' Report.

Further, in terms of guideline no. 7.2 and 22.2 A (ii) of the SEBI ESOP Guidelines, it is sought obtain the consent of the shareholders to vary the terms of the Stock Option Schemes by virtue of special resolution set out at item no.5 (b) vis-à-vis the options granted/to be granted to employees of the Company and the special resolution set out at item no. 6(b) vis-à-vis the options granted/to be granted to the employees of the subsidiaries of the Company or that of its holding Company, so as to provide therein that exercise price payable by the option grantees under the Stock Option Schemes shall be the market price of the shares of the Company as on the date of grant, the market price being the latest available closing price prior to the date of meeting of the Board.

The basic objective behind introducing this amendment in the scheme is to provide a greater flexibility in the fixation of the exercise price and to ensure that what the option grantees pay for the acquisition of shares under the Stock Option Schemes, is at all times in line with what the market perceives the value of shares to be at the relevant point of time, thereby enabling the grantees to be aware of the valuation of shares at the time of exercise and arrive at a considered decision as to the acquisition of the shares by way of exercise of options under the Stock Option Schemes.

The amendment shall benefit all the employees who are currently the option grantees under the scheme and those who shall be granted stock options under the Stock Option Schemes pursuant to a re-grant.

Therefore the approval of members is sought by way of the special resolutions set out at item no. 5 & 6 of the notice.

None of the Directors of the Company is deemed to be concerned or interested in the resolutions except to the extent of options granted/to be granted to him or the securities that may be offered to him under the Stock Option Schemes.

Item no. 7

In view of the administrative convenience and for implementation of the existing employee stock option schemes, SPCL IPLS Employee Stock Option Plan 2008 and , IPL Employee Stock Option Scheme- 2009 (the “**Stock Option Schemes**”) in an independent manner which is beneficial to the employees, the Board of Directors of the Company has, at its meeting held on August 31 , 2010, recommended and principally approved the managing of the implementation of the Stock Option Schemes, by the Employees Welfare Trust (“**EWT**”) instead of the Board of Directors of the Company.

Therefore the approval of members is sought by way of special resolution set out at item no. 7 of the notice.

None of the Directors of the Company is deemed to be concerned or interested in the resolution, except to the extent of the options granted to him or the securities that may be offered to him under the Stock Option Schemes.

By Order of the Board
For **Indiabulls Power Limited**.

Gaurav Toshkhani
Company Secretary

Place: New Delhi
Dated: August 31, 2010

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PROXY FORM

I/we _____
of _____ in the district of _____ being a member/
members of Indiabulls Power Limited. hereby appoint _____
of _____ in the district of _____ or failing him / her
of _____ in the district of _____ as my /our proxy to
attend and vote for me/us on my/our behalf at the Third Annual General Meeting of the Company scheduled to be held on Thursday, the
30th day of September, 2010 at 10:30 A.M. at Centuar Hotel, IGI Airport, Delhi-Gurgaon Road, New Delhi – 110 037, or at any
adjournment thereof.

Signed this _____ day of _____ 2010.

Affix
Re.1/-
Revenue
Stamp

Signed by said _____
Registered Folio No* _____ Client ID _____ DP ID _____
No of Shares _____

* Applicable for Members holding shares in Physical form.

Note : The Proxy form duly stamped and completed must be deposited at the Registered Office of the Company not less than 48 hours
before the commencement of the aforesaid meeting.

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Folio No.:* _____

No. of Shares: _____

DP ID: _____

Client ID: _____

ATTENDANCE SLIP

Members or their proxies are requested to present this slip in accordance with the Specimen Signatures registered with the Company, at
the entrance of the meeting Hall, for admission.

Name of the attending Member/Proxy _____
(in BLOCK LETTERS)

I hereby record my presence at the Third Annual General Meeting of the Company held on Thursday the 30th day of September, 2010 at
10:30 A.M. at Centuar Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037

Member's Signatures

Proxy's Signatures

* Applicable for Members holding shares in Physical form.