

A large graphic of a wind turbine with three blades, rendered in a semi-transparent, circular, concentric-line style. The blades are white with red and grey stripes. The background is a bright, hazy sky with a sunburst effect behind the turbine's hub.

# Delivering energy to accelerating markets

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**Mytrah Energy Limited is an independent power producer building a 5,000 MW portfolio of wind power assets in India.**

**The Company has secured the lowest new-build cost in the market, using turn-key contracts, ensuring the most efficient use of capital in order to execute its strategy in a market where the supply – demand gap continues to widen.**



# Highlights

US\$ 80m

new equity  
issued

500

MW

to be fully  
operational by  
March 2012

US\$ 112m

of mezzanine  
financing raised

700

MW

equity funded

1,000 MW

delivery schedule  
agreement with Suzlon  
by March 2013

First projects of 60.9 MW completed

Agreement with Gamesa signed  
for 2,000 MW of turbines

Land secured for installation of up  
to 3,000 MW of wind farm projects

Development on track to build  
5,000 MW by 2017

8.2%

GDP growth

Economic  
development  
of India

### GDP Growth

India has experienced strong GDP growth since the global financial crisis of 2008 with growth almost recovering to pre-global recession levels. This is largely due to strong domestic demand together with economic liberalisation, including industrial deregulation, privatisation of state-owned enterprises, and reduced controls on foreign trade and investment<sup>1</sup>.

India's nominal GDP for 2010 was US\$1.538 trillion and its estimated GDP for 2011 is US\$1.7 trillion making India the tenth largest economy in the world<sup>2</sup>.

When purchasing power parity is considered, India's economy is the fourth largest in the world at US\$4.06 trillion, it is also one of the fastest growing economies in the world with its average annual GDP growing at 5.8% for the past two decades and at 10.4% during 2010<sup>2</sup>. A projected 8.2% GDP growth for FY2011–12 positions India with a fertile environment for accelerated growth.

1 CIA World Factbook

2 IMF



# The demand for power

**There is currently a significant shortage of power supply in India. As of March 2011, India's population was approximately 1.1 billion and had an energy generation capacity of only 175 gigawatts ('GW').**

This falls extremely short of China's capacity to generate 860 GW of energy for its comparable population of 1.3 billion. In 2008, only 52.5% of Indian rural households had electricity. The Government of India set a target that every household should be grid connected by 2010 and that average consumption should increase to 1,000 kWh/capita by 2012<sup>1</sup>.

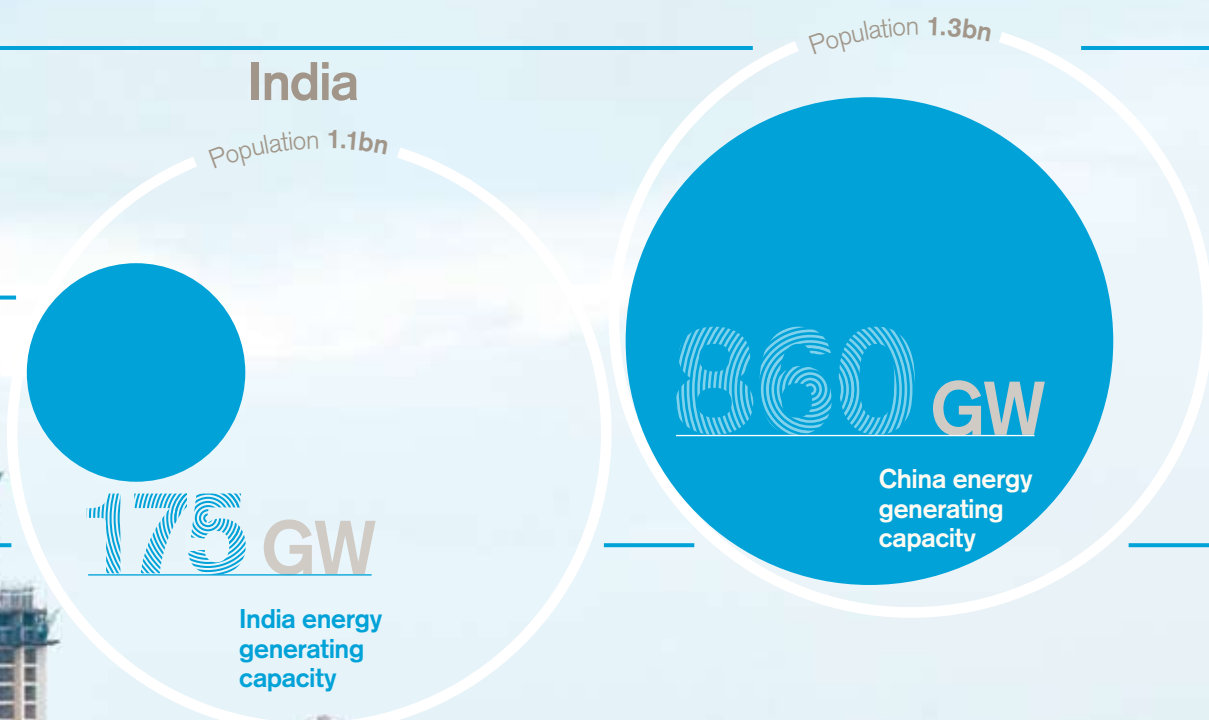
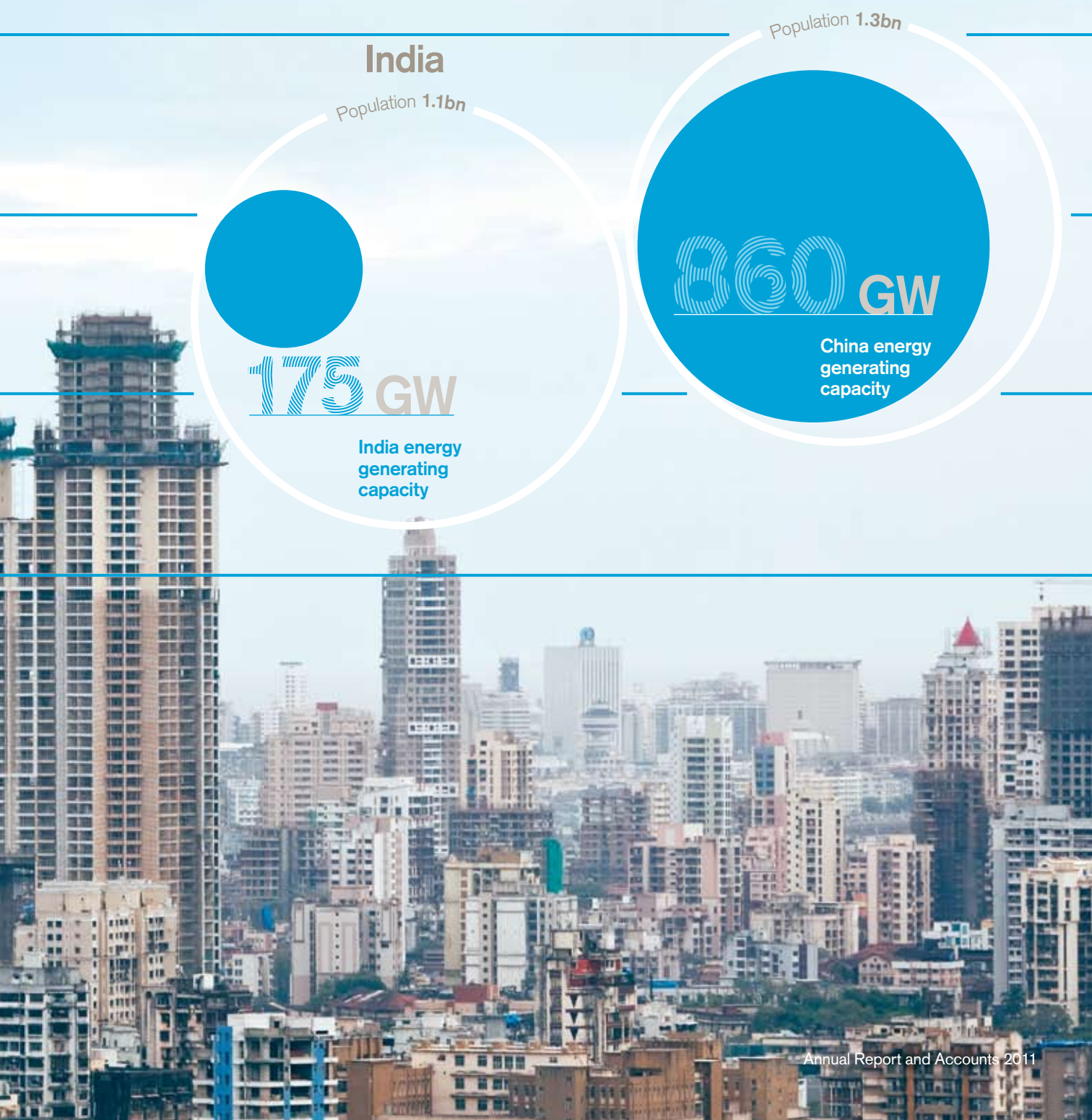
Maintaining India's recent GDP growth rate of between 8.5% and 9.0% is threatened by the country's lack of installed power capacity. To address the widening gap between supply and demand, the Indian government opened the electricity market to the private sector through the Indian Electricity Act, 2003 and has outlined its intention to increase total generation capacity to 342 GW by 2017.

The government is also increasing the contribution made by renewable energy sources by mandating States, through the Renewable Indian Purchase Obligation ('RPO')

mechanism, to purchase up to a minimum of 10% of their annual energy requirements from renewable sources by 2012 increasing to 20% by 2020. An estimated 54 GW of renewable energy will be needed by 2017 to meet these obligations<sup>1</sup>.

The Directors believe that the growing levels of energy consumption present a significant opportunity for power suppliers.

<sup>1</sup> CEA



## China

Population 1.3bn

## India

Population 1.1bn

**175 GW**

India energy generating capacity

**860 GW**

China energy generating capacity

As in many parts of the world, the Indian government has pushed for a larger share of renewable power generation. Although the process of turning green has only recently started in India, the initial results are very clear; in April 2011, the Central Electricity Authority ('CEA') estimated renewable energy capacity at 18.5 GW, approximately 11% of India's total power generation, with the view that by 2020 it will be at 20%<sup>1</sup>.

#### Incentives

Although companies, with the right capital costs, are not dependent on government incentives for the profitable operation of wind power, the

government has encouraged renewable energy generation. Principally through generation based incentives and renewable energy certificates. Through renewable purchase obligations, states are required to purchase a minimum of 10% of their annual energy purchases from renewable sources by 2012 and 20% by 2020. This would suggest that by the end of 2017, 54 GW of clean energy would be required.

#### Focus on Wind

With installed capacity of 13 GW, India is the fifth largest wind power market globally and the third largest in terms of new capacity acquired during 2010.

This accounts for 72% of India's renewable capacity and is expected to increase to 24 GW by 2013. The overall potential for wind power in India is estimated at 65 GW. The potential for wind energy in India is marked by the country's overall economic growth, as well as the country's strong incentive to push forward renewable energy technology<sup>2</sup>.

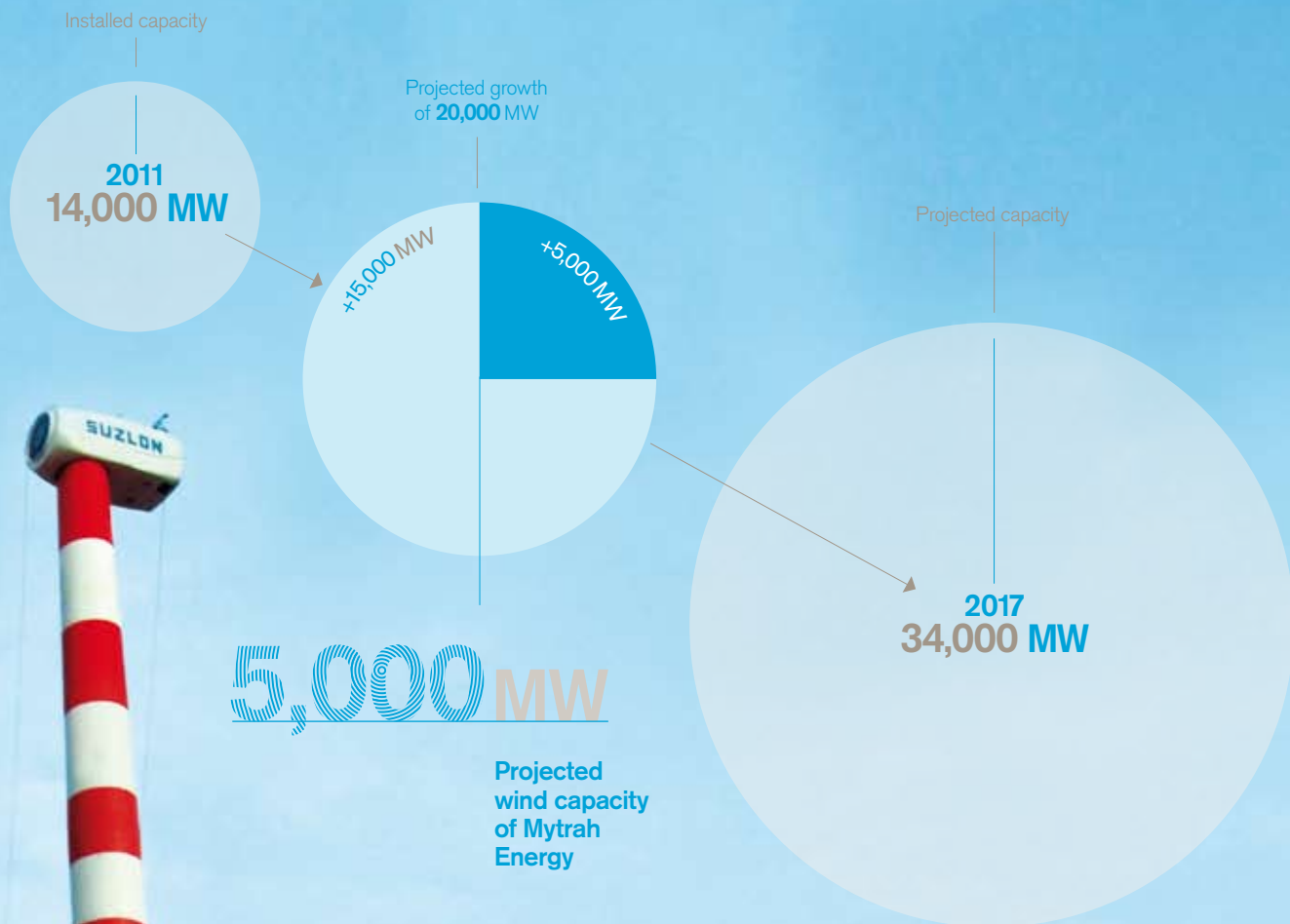
<sup>1</sup> CEA

<sup>2</sup> Centre for Wind Energy Technology

# Renewable energy growth



### Projected wind growth from 2011 to 2017



# Chairman and Chief Executive's statement



## Overview

- Raised US\$79.24 million before issue expenses of US\$6.4 million on the London Stock Exchange's AIM market ('AIM').
- Signed long-term supply agreements with two of the largest global wind farm vendors for delivery of 5,000 megawatts ('MW') of wind farm assets by 2017.
- Secured senior debt in India during the year.
- Subsequent to year-end, raised an additional US\$111.5 million of mezzanine financing.
- Subsequent to year-end, commissioned 60.9 MW wind farm assets.
- Placed purchase orders for 100.8 MW during the period and, subsequent to year-end, placed orders for a further 261.2 MW.
- The Group remains on track to have 500 MW operational by March 2012.
- In advanced discussions with a leading lender in India to receive senior debt of US\$189.3 million needed to fund the purchase orders placed subsequent to the year end.

# US\$ 112m

of mezzanine  
financing

## 500 MW

by March 2012



I am pleased to report that Mytrah Energy Limited (formerly Caparo Energy Limited) (the 'Company') and its subsidiaries (together the 'Group') made good progress in executing our business plan as an Independent Power Producer ('IPP').

During the year and subsequent to year end, we have made strong progress toward meeting our objective of developing 5,000 MW generating capacity by 2017. We have secured two strategic partnerships with industry leaders in the wind energy sector, Suzlon Energy Limited ('Suzlon') and Gamesa Wind Turbines Pvt Ltd ('Gamesa'). Subsequent to year end our first two projects, with production capacity of 60.9 MW, are fully commissioned and connected to the grid and the Group is now generating electricity and cash flow.

In October 2010, the Group successfully raised US\$79.24 million before issue expenses of US\$6.4 million through the issue of equity shares on the London Stock Exchange's AIM. Our listing and corresponding fund raising will enable the Group to pursue its strategy of becoming a leading IPP in India through the establishment and commissioning of wind farms, with a targeted generating capacity of up to 5,000 MW by 2017.

Further, subsequent to year end the Group secured innovative mezzanine financing, totalling US\$111.5 million, leaving us well capitalised to fund our development and project pipeline and build the necessary land bank. We are also in advanced discussions with a leading lender in India to receive additional finance to fund the purchase orders for the wind farm assets placed subsequent to the year end. We feel ideally positioned to take advantage of the significant opportunity offered by the rapidly expanding Indian energy market.

#### Indian energy market

As one of the world's fastest growing economies, India is an exciting country in which to operate. The Indian economy experienced a solid

rebound from the global financial crisis of 2008, with growth almost recovering to pre-recession levels. Looking ahead, GDP growth is forecast to return to around 8.5–9% and we believe that this provides the Group with a fertile environment in which to grow. In tandem, the Indian energy market is experiencing an increasing deficit as the gap between supply and demand continues to widen. This gap becomes remarkably apparent when comparing India's population and energy generation capacity with those of China. As of March 2011, India's population was approximately 1.1 billion and had an energy generation capacity of only 175 GW. This falls short of China's capacity to generate 860 GW of energy for its population of 1.3 billion.

To address this shortfall, the Indian government opened the electricity market to the private sector through the Indian Electricity Act, 2003 and has outlined its intention to increase total generation capacity to 342 GW by 2017. The government is also increasing the contribution made by renewable energy sources by mandating States, through the Renewable Purchase Obligation ('RPO') mechanism, to purchase up to a minimum of 10% of their annual energy requirements from renewable sources by 2012 increasing to 20% by 2020. An estimated 54 GW of renewable energy will be needed by 2017, creating a large market opportunity for a company such as ours.

India is currently the fifth largest wind energy producer worldwide with 13 GW of installed capacity. Wind energy accounts for 72% of total renewable energy capacity in India. As India's wind energy market matures, we will continue to see regulatory incentives move away from tax based depreciation toward IPP production. There is already a Generation Based Incentive ('GBI') scheme that offers Rs. 0.50 per unit of electricity fed into the grid by wind power producers and, over the next year, we expect to see an increase in the volumes in the newly created Renewable Energy Certificate ('REC') market. The country's familiarity with favourable legislation towards wind energy makes India extremely receptive to our offering.

# Chairman and Chief Executive's statement

## continued

### Our strategy to 2017

## Phase I

### Suzlon Agreement:

Mytrah has issued orders and made advance payments for **1,000 MW**.

Suzlon provides turnkey solutions for wind farm assets.

Suzlon assumes project development and construction risk.

Suzlon is responsible for executing all activities relating to the establishment of wind farms.

**1,000 MW** contract at fixed price, discount to market price entrenches competitive position.

All wind data independently verified – sites have wind data using net masts at different heights over an average period of over four years and are fully permitted.



### Strategy and development

With these market dynamics in mind, the Group's strategy is centred on generating reliable and long-term cash flow through developing a portfolio of wind farms with a total generating capacity of up to 5,000 MW by 2017. We intend to achieve this goal in two concurrent phases and have already put many of the foundations in place.

Phase I of our concurrent expansion strategy is focused on developing 3,000 MW by 2017 through our business partnership agreement ('BPA') with Suzlon. By securing fixed terms for 1,000 MW of capacity under this agreement, the Directors believe that the Group becomes the largest and lowest cost venture in the Indian wind energy sector.

In January 2011 we announced that under the BPA with Suzlon we had agreed on a delivery schedule for the first 1,000 MW of wind power projects. It is our intention to commission 500 MW progressively by March 2012 and a further 500 MW by March 2013. We believe we can meet this target, and have already placed orders for 100.8 MW during the year ended 31 March 2011 and 261.16 MW subsequent to year end.

Further, subsequent to year end, we completed and commissioned part of our first two projects, in Rajasthan and Gujarat, totalling 60.9 MW. These projects provide the Group's first revenue from electricity sales and demonstrate our ability to implement from concept to commissioning.

In addition, we have agreed with Suzlon on the locations of the next 750 MW of projects to be delivered under our current BPA. The 750 MW generation capacity will span sites located in Gujarat (300 MW), Andhra Pradesh (100 MW), Maharashtra (100 MW), Rajasthan (75 MW), Karnataka (100 MW) and Tamil Nadu (75 MW). Preliminary wind assessment studies undertaken by an internationally recognised firm on behalf of the Group indicate that these five sites, once developed, represent attractive wind resources. We look forward to updating shareholders on the progress made at these sites.

### Mytrah Energy Limited

Phase II of our concurrent expansion strategy is focused on securing land for the installation of wind power generation farms. Subsequent to year end in May 2011, we announced the securing of land across various wind rich states in India. This land has received the relevant leases and sanctions for the installation of 3,000 MW of wind power generation farms. Based on preliminary analysis, the Group believes these sites to have indicative Plant Load Factors ('PLFs') of more than 28%. Expanding our land position in wind rich regions is imperative to advancing our business plan to create significant value uplift for shareholders and we will continue seeking to increase our land position going forward.

Subsequent to year end in May 2011, as part of our Phase II, we further increased our scale by entering into an agreement with Gamesa Wind Turbines Pvt Ltd ('Gamesa'), a subsidiary of Gamesa Corporación Tecnológica, Spain, a global leader in wind turbine erection and commissioning, for the delivery of 2,000 MW of turbine capacity by 2016. The first 150 MW under this agreement are expected to be delivered in Q4 2012.

To fuel its growth, subsequent to year end, the Company obtained US\$78.5 million in June 2011 as the first tranche of mezzanine financing from The India Infrastructure Fund, managed by IDFC Project Equity Company Limited, in the form of preference shares with a six year term. Soon thereafter, a second tranche of US\$33.0 million was secured. The Board believes this is the first instance of an IPP in the Indian wind sector having arranged financing of this kind, highlighting our first mover status in the arena and the credibility of our development schedule. The Group is also in the process of finalising the senior debt of US\$189.3 and is in advanced discussions with a lender to receive the senior debt financing needed to fund the purchase orders placed subsequent to the year end. The Directors are confident that this will be finalised ahead of when the payments for the purchase orders crystallise.

# Chairman and Chief Executive's statement

## continued

## Phase II

### Gamesa Agreement:

Agreement with Gamesa, global leader in wind turbine erection and commissioning, for **2,000 MW** of turbine capacity.

- **150 MW** to be delivered for Q4 2012 with balance delivered progressively until end of 2016.
- Agreement attractively priced; prices fixed for first **450 MW**.
- Afterwards, price is based on agreed formula to reflect changes in applicable indices, Gamesa also to receive commitment advances over three years.

# 2,000 MW

Gamesa Agreement

Mytrah responsible for site assessment and procurement of land.

- Secured land suitable for **3,000 MW** of wind power generation.
- Land obtained through leases and direct allotments. Permitting for initial phases of construction already granted from respective state authorities.
- Sites to be fully developed by 2016, and have indicative PLFs of over 28%, based on preliminary analysis by internationally reputed consultants.
- Mytrah has commenced the installation of wind masts on these sites to collect more detailed wind data.

### Financial overview

In October 2010, the Company raised US\$79.2 million before expenses of US\$6.4 million, by way of a placing of 43,636,000 Ordinary Shares at 115p as part of the Company's admission to AIM.

For the year ended 31 March 2011, the Group, in its first year of operations, did not generate revenue and reported an after tax loss of US\$2.5 million. The cash used in operations during the year was US\$3.0 million. At 31 March 2011 the Group had cash and bank balances of US\$16.9 million. The Group has made progress in developing wind farm assets, and at the year end had wind farms assets under the course of construction of US\$28.1 million. Further, the Group had made advance payments of US\$29.9 million toward development of further wind farm assets.

### Change of name and board composition

As the Company's transformative growth continues, its identity has also evolved. The Company proposed and received authority to change its name from Caparo Energy Limited to Mytrah Energy Limited at its recent Extraordinary General Meeting ('EGM') on 5 September 2011 and will now be called Mytrah Energy Limited. We are grateful to have begun as Caparo Energy Limited and would like to thank the Caparo Group for their ongoing support.

Following the year end, Angad Paul stepped down as Non-Executive Chairman. Additionally, Charles Wilkinson, an independent Non-Executive Director based in Guernsey, is not offering himself for re-election at the forthcoming Annual General Meeting ('AGM'). On behalf of the Board, I would like to thank them both for their services and contributions. We intend to add two independent Non-Executive Directors to the Board as soon as practicable.

### Conclusion

We have made good progress in implementing our business plan in the Group's first year of operations and subsequent to year end, had confirmed production capacity of 60.9 MW. We expect the forthcoming period to be equally productive as we focus on continuing to meet our commitments and to build value. Being a large scale but low cost

venture, we have an advantage in the wind energy sector. As the power deficit and the resulting increasing role of renewables persists in India, we plan to press our advantage to cement our business model and strengthen our leadership position in the industry.

Integral to the Group's success will be its partnerships with key manufacturers in the wind energy sector. We have forged strong relationships with two world-class manufacturers, Suzlon and Gamesa, and we look forward to working closely with them in the years ahead.

By the end of the financial year ending 31 March 2012 I am confident that we will have 500 MW of generation capacity on line, catapulting us to one of the largest clean power producers in India after just 18 months of incorporation. Our position will be further strengthened by March 2013 when we will have the capacity to generate 1,150 MW of power through our agreements with Suzlon and Gamesa. The revenue opportunities and the value uplift potential for the Company are considerable, and as a cash generative business with a relatively short payback period, we believe that the Company is an exciting opportunity for investors.

I would like to welcome our new shareholders to the Group. I look forward to collaborating with them as we leverage our scale and cost advantages in the Indian renewable sector to establish ourselves as the country's premier renewable IPP during 2012. We eagerly anticipate the coming year and, having already met a number of key milestones ahead of schedule, we are confident that we can hit all our short and long-term targets.

Finally, on behalf of the Board, I would like to express my greatest thanks to all our business partners, strategic partners, employees, management and our shareholders for the dedication, hard work and support you have shown for the Company throughout the year under review.

**Ravi Shankar Kailas**

Chairman and CEO  
11 September 2011

# Board of Directors

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# Board of Directors continued

## **1. Ravi Shankar Kailas** **Chairman and Chief Executive Officer**

Mr Kailas has 20 years of entrepreneurial experience in telecoms, software and real estate. He was the founder of a number of start-up companies, including Zip Global Network, a telecom services company, which was subsequently sold to Tata Teleservices, Xius Technologies, a telecom software company which launched the world's first inter-operator prepaid roaming service and which was merged with a leading SEI CMM Level 4 software company, and Altius, a real estate investment company which was later sold to The Chatterjee Group. Mr Kailas has a Bachelors degree in Electronics and Communications Engineering from Osmania University and a Masters degree from the Graduate School of Business, Stanford University.

## **2. Alastair Andrew Bertram Cade** **Director**

Mr Cade was one of the founders of Daniel Stewart Securities plc, a London based institutional stock broking and corporate finance firm and was appointed managing Director in 2003. Subsequently, Mr Cade set up a private investment vehicle concentrating on agriculture and renewable energy. He has a Masters degree in Economics from St. Andrews University.

## **3. Vikram Kailas** **Chief Financial Officer**

Before joining the Group, Mr Kailas worked in the power and utilities investment banking group at Credit Suisse in New York, where he

was involved in a number of renewable energy transactions, including a US\$6 billion exit financing for Calpine, a US\$300 million loan for First Energy. Prior to joining Credit Suisse, Mr Kailas worked for Deloitte Consulting in Hyderabad, India. He has a B.Tech in Mechanical Engineering from the Indian Institute of Technology, Madras, and a MBA from the Yale School of Management.

## **4. Philip Swatman** **Non-Executive Director**

Mr. Swatman is Chairman of Merlin Corporate Reputation Management and a director of a number of other companies. He was Vice-Chairman of Investment Banking at NM Rothschild from 2001 until his retirement in September 2008, having originally joined N.M. Rothschild in 1979 as a corporate financier, becoming a Director in 1986. He subsequently became a Managing Director and later Co-Head of Investment Banking. Mr Swatman qualified as a Chartered Accountant with KPMG after graduating from Christ Church, Oxford.

## **5. Rohit Kumar Phansalkar** **Non-Executive Director**

Mr Phansalkar is the Chairman and CEO of RKP Capital, Inc., a US based merchant banking boutique. He was previously the Chairman and CEO of Osicom Technologies, an optical networking company. He was the co-founder, Vice Chairman and CEO of Newbridge Capital, a private equity firm investing in India, and formerly the Head of Energy Finance Group at Oppenheimer & Co. Mr Phansalkar was Co-head of

the Energy Finance Group at Shearson American Express, Managing Director of Bear Stearns and Managing Director at Oppenheimer & Co. Mr Phansalkar was the Founding Chairman of The India Fund. Mr Phansalkar received an MBA from the Harvard Graduate School of Business.

## **6. Hon Angad Paul** **Non-Executive Director**

Mr Paul is the Chief Executive of the Caparo Group and has overseen the acquisition by the Caparo Group of over 26 companies in 2007 as well as Caparo Group's entry into Dubai and China. Mr. Paul attended the Massachusetts Institute of Technology in Boston, USA, where he received BAs in Economics and Media Arts and Sciences.

## **Charles Edmund Wilkinson** **Non-Executive Director**

Mr Wilkinson is a solicitor who retired from Lawrence Graham LLP in March 2005. While at Lawrence Graham, he specialised in corporate finance and commercial law, latterly concentrating on investment trust and fund work. He is currently Chairman of Doric Nimrod Air One Limited, an Aircraft Leasing company and a Director of its sister company Doric Nimrod Air Two Limited. He is also a Director of Premier Energy and Water Trust PLC, a listed investment trust, and of Landore Resources Limited, a Guernsey based mining exploration company.

The Directors have pleasure in submitting their report and audited consolidated financial statements for the year ended 31 March 2011.

## Principal activities and review of business

The Group continued its principal activities during the year ended 31 March 2011, which are developing, owning, and operating wind energy assets in India. During the year the Group had wind farm assets under the course of construction and subsequent to the year end, commissioned its first wind farm assets with 60.9 MW of electricity generating capacity.

## Results and dividends

The comprehensive after tax loss for the financial year was US\$2.5 million. The cash used in operations during the year was US\$3.0 million. At 31 March 2011 the Group had cash and bank balances of US\$16.9 million. The Group has made progress in developing wind farm assets, and at the year end had wind farms' assets under the course of construction of US\$28.1 million. Further, the Group had made advance payments of US\$29.9 million towards the development of further wind farm assets

The Directors do not recommend the payment of a dividend.

## Remuneration Committee

The Remuneration Committee comprises the Non-Executive Directors. The committee provides independent review of the Executive Directors' remuneration and the Group remuneration policy. It makes its decisions in consultation with the Chief Executive Officer. No Director plays a part in any decision about their own remuneration. This committee also reviews bonus and equity arrangements for the Group's other senior employees.

## Remuneration policy

The policy of the Company is to set levels of remuneration to attract, retain and motivate Executive Directors and key staff. The remuneration packages are designed to be competitive in value to those offered to the directors of similar sized companies in related sectors.

## Service contracts

The Executive Directors have entered into service contracts with the Company that are terminable by either party on not less than twelve months' prior notice.

## Directors' emoluments and compensation (audited)

Directors remuneration for the year ended 31 March 2011 was as follows:

Name	US\$ Salary	US\$ Consultancy <sup>1</sup>	US\$ Total 2011
<b>Executive</b>			
Ravi Kailas	150,833	–	150,833
Vikram Kailas	94,270	–	94,270
Alastair Cade	113,124	–	113,124
<b>Non-Executive</b>			
Angad Paul	75,416	–	75,416
Rohit Phansalkar	26,396	55,318	81,714
Philip Swatman	22,623	–	22,623
Charles Wilkinson	13,198	–	13,198
<b>Total</b>	<b>495,860</b>	<b>55,318</b>	<b>551,178</b>

Note:

1 This is relation to advisory services provided by RKP Capital Inc a related party for which Rohit Phansalkar has significant influence (refer to note 20).



# Directors' report continued

As at 31 March 2011, the Directors held the following share options (refer to note 22 for more detail):

Name	Date of grant	Number of Ordinary Shares under option	Exercise price per share (pence)
Alastair Cade	04/10/2010	2,400,000	115
Vikram Kailas	04/10/2010	2,400,000	115
Rohit Phansalkar	04/10/2010	38,700	115
Philip Swatman	04/10/2010	38,700	115

There were no exercises of share options during the year ended 31 March 2011 and no options lapsed.

## Directors' share interests

As at 31 March 2011, the Directors held the following beneficial interests in the Company's ordinary share capital:

Name	Number of Ordinary Shares
Ravi Kailas <sup>1</sup>	94,188,771
Alastair Cade <sup>2</sup>	1,884
Angad Paul <sup>3</sup>	24,009,420

Note:

- As beneficial shareholder through Bindu Urja Investment Inc, Bindu Urja Holdings Inc, Bindu Urja Capital Inc and Sila Energy Inc.
- As beneficial shareholder through Bindu Urja Investment Inc, Bindu Urja Holdings Inc, and Bindu Urja Capital Inc.
- As beneficial shareholder of 9,420 Ordinary Shares through Bindu Urja Investment Inc, Bindu Urja Holdings Inc, Bindu Urja Capital Inc and as potential beneficiary of the Angad Paul family trust of which Himora Universal S.A. is the Trustee beneficially owning the interest through Esrano Overseas Ltd, with respect to 24,000,000 Ordinary Shares.

## Principal risks and uncertainties

The management of the business and the implementation of the Company's plans are potentially exposed to a variety of risks. A full listing of the risks factors that could potentially affect the Company is laid out in the Company's AIM Admission Document available on Company's website, [www.mytrah.com](http://www.mytrah.com).

## Substantial shareholders

The Company has been notified of the following holdings of 3% or more of the 163,636,000 Ordinary Shares as at 31 March 2011

Name	%
Bindu Urja Capital Inc	35.57
Esrano Overseas Ltd	14.67
Bindu Urja Holdings Inc	14.67
Henderson Global Investors Ltd	9.99
Bindu Urja Investments Inc	7.33
Blackrock Investment Management	5.31
Capital Research Global Investors	4.00
Eton Park International LLP	3.33

## Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRSs'). Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Guernsey and the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Responsibility statement

We confirm that to the best of our knowledge the financial statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole.

### Going concern

Subsequent to year end, the Company's subsidiary Caparo Energy (India) Limited ('CEIL'), made further capital commitments of US\$337.4 million. The capital commitments are in relation to the supply of additional wind farm assets, the supply of which the Director's consider are an integral part of their business plan. The Group forecast shows that it has US\$148.1 million of available financing to fund these projects, including the US\$111.5 million of mezzanine financing raised subsequent to the year end.

In respect of financing the senior debt requirement of US\$189.3 million the Directors are in discussions with a number of lenders and have received broad agreement to finance the supply of additional wind farm assets referred to above from a leading lender in India. The Directors are confident that the financing will be in place in advance of when the commitments crystallise. The Directors are confident that if the financing was not finalised, they would be able to renegotiate the timing for the supply of wind farm assets that have been committed to with the supplier of the assets. Further, if this was not possible, the Company believes that the Group's maximum liability under the agreements is capped at a level within available resources.

Therefore, after making enquiries and assessing the Group's financial position, anticipated future performance, its available and planned bank facilities and capital expenditure plans, together with other risks facing the Group, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### Auditors

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as each Director is aware, there is no relevant audit information of which the Group's auditors are unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

The auditors, Deloitte LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

### Ravi Shankar Kailas

Chairman and CEO

11 September 2011

# Corporate Governance report

## Principles of corporate governance

The Board of Directors recognises the importance of good corporate governance to enhance and protect shareholder value. As the Company's shares are registered on the AIM of the London Stock Exchange, the Company is not obliged to comply with the Combined Code 2008. However, the Board have taken measures to comply with the Code so far as is appropriate and practical having regard to the size and nature of the Group.

## The Board of Directors

As at 31 March 2011 the Board of Directors comprised of the following:

Name	Age	Position	Date of Appointment
Angad Paul	41	Non-Executive Director and Chairman	13 August 2010
Ravi Kailas	45	CEO	13 August 2010
Vikram Kailas	31	Chief Financial Officer	13 August 2010
Alastair Cade	39	Executive Director	13 August 2010
Rohit Phansalkar	65	Non-Executive Director	13 August 2010
Philip Swatman	61	Non-Executive Director	8 September 2010
Charles Wilkinson	68	Non-Executive Director	8 September 2010

Following the year end in the Board meeting held on 18 August 2011, Angad Paul stepped down as Non-Executive Chairman but remains a Non-Executive Director; Ravi Kailas was appointed as Chairman and continues to be Chief Executive Officer.

Charles Wilkinson has decided not to stand for re-election at the forthcoming AGM. The Board intends to appoint two additional Non-Executive Directors as soon as practicably possible.

The Board has a breadth of experience relevant to the Group, and the Directors believe that any changes to the Board's composition can be managed without undue disruption. The Board believes that the mix of skills, experience, ages and length of service are appropriate to the requirements of the Group.

The biographical profiles of the Directors can be found on page 13.

The Company's articles of association require that all Directors are subject to re-election by shareholders at the first AGM following their initial appointment, and at each AGM one-third of the Directors retire by rotation.

The Company maintains Directors' and officers' liability insurance cover, the level of which is reviewed annually.

## Board meetings

The Company holds at least four Board Meetings per year at which the Directors review the overall strategy and direction of the Group. In addition, between these formal meetings there is regular contact with the Company's consultants, management and the Nominated Adviser and Broker. The Directors are kept fully informed of investment, financial and other matters that are relevant to the business of the Company and should be brought to the attention of the Directors.

The Board considers agenda items laid out in the notice and agenda, which are formally circulated to the Board in advance of a meeting as part of the Board papers and, therefore, Directors may request agenda items to be added that they consider appropriate for Board discussion. Additionally, each Director is required to inform the Board of any potential or actual conflicts of interest prior to the Board discussion.

The quorum for a Board Meeting is two. Whilst Directors try to arrange their schedules accordingly, non-attendance is unavoidable in certain circumstances. During the year five Meetings were held. The table below details the number of Board Meetings attended by each Director.

Name	Board Meetings
Ravi Kailas	3/5
Vikram Kailas	1/5
Alastair Cade	3/5
Angad Paul	2/5
Rohit Phansalkar	5/5
Philip Swatman	2/5
Charles Wilkinson	5/5

Apart from regular Board Meetings, additional meetings will be arranged when necessary to review strategy, planning, operational, financial performance, risk, capital expenditure and human resource.

## Board Committees

The terms of reference of the Board Committees are outlined in our Admission Document which is available on the Company's website and is also available on request from the Company Secretary.

## Audit Committee

The Audit Committee of the Company ('Audit Committee') was established at the Admission to AIM in October 2010 and operates within the written terms of reference clearly setting out its authority and duties.

The Combined Code recommends that all members of the Audit Committee are independent Non-Executive Directors, and that at least one member should have recent and relevant financial experience. During the year the Audit Committee comprised Charles Wilkinson and Philip Swatman under the Chairmanship of Rohit Phansalkar, who are all independent Non-Executive Directors.

The Audit Committee has the following responsibilities:

- monitoring of the Group internal control environment;
- assessment of the Group financial risks;
- review of the Group financial statements, reports and announcements and the accounting policies that underlie them;
- to monitor and review the effectiveness of the Company's internal audit function;
- recommendation to the Board on the appointment and remuneration of the external auditors; and
- monitoring of the independence of the external auditors and the establishment of a policy for the use of the auditors for non audit work.

Other Directors, members of staff and the external auditors are invited to attend these meetings, as appropriate. The Committee reviews the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors.

The Audit Committee is authorised to seek any information it requires from any employee of the Group in order to perform its duties, and obtain any outside legal or other independent professional advice it requires at the Company's expense.

The Audit Committee has met three times after incorporation of the Company and carried out the following activities:

- reviewed with Deloitte LLP, the external auditors, the annual financial statements and associated documents, ensuring that all material information was properly and clearly disclosed;
- reviewed with Deloitte LLP the scope of the audit work proposed for 2011 and audit fees;
- reviewed the effectiveness of external auditors, their independence and the non-audit services they provided; and
- reviewed the effectiveness of the Group's financial reporting, and its internal control policies.

Given the current size and nature of the Groups operations, the Board does not consider it appropriate to have a formal detailed policy that enables employees to raise concerns they may have about workplace fraud or mismanagement on a confidential basis. However, staff are aware that they may raise concerns surrounding possible improprieties in confidence with the Chairman. The Directors will keep this under review should employee numbers increase significantly.

The Audit Committee reviewed the requirement for an internal audit function during the year and appointed an external party to perform the internal audit role. Given the current size and nature of the Group's operations the Audit Committee has not yet reviewed the effectiveness of Internal audit, but intends to do this in the coming year.

## Remuneration Committee

During the year the Remuneration Committee comprised of Charles Wilkinson and Rohit Phansalkar under the Chairmanship of Philip Swatman. This Committee determines the remuneration and benefits packages for the Executive Directors and any changes to the service contracts. The Committee also approves any share related incentive schemes within the Group. Non-Executive Director's fees are considered and agreed by the Board as a whole.

Further details on Directors' remuneration are included within the Director's report, set out on pages 14 to 16.

# Corporate Governance report continued

## Nomination Committee

During the year the Nomination Committee comprised Charles Wilkinson and Philip Swatman under the chairmanship of Rohit Phansalkar. The Committee considers the composition of the Board and is responsible for reviewing the composition and structure of the Board and for identifying and recommending candidates for Executive and Non-Executive Director positions.

## Communications with shareholders

The Board is accountable to the Company's shareholders and as such it is important for the Board to maintain effective communications with shareholders. The Company maintains an active dialogue with institutional shareholders through regular briefing meetings and formal presentations by the Executive Directors following the interim and preliminary financial results.

During the year, the views of major shareholders are communicated to the Board through briefings by the Company's brokers and face-to-face meetings with the Executive Directors. Press releases are issued throughout the year and the Company maintains a website [www.mytrah.com](http://www.mytrah.com) on which press releases, corporate presentations and the Annual Report are available to view.

The AGM provides an opportunity for communication with all shareholders and the Board encourages the shareholders to attend and welcomes their participation.

## Internal controls

The Directors acknowledge their responsibility for establishing and maintaining the Group's systems of internal control. These are designed to safeguard the assets of the Group and to ensure the reliability of financial information for both internal and external use.

The day-to-day responsibility for managing risk and the maintenance of the Group's system of internal control is assumed by Executive Directors. The Group prepares detailed budgets and cash flow projections, which are approved annually by the Board and updated regularly throughout the year. Detailed management accounts and working capital cash flow projections are prepared on a monthly basis and compared to budgets and projections to identify any significant variances. The Board also reviews, identifies, evaluates and manages the significant risks that face the Group.

The Board has delegated its responsibility for reviewing the effectiveness of these controls to the Audit Committee. The Audit Committee is responsible for reviewing the effectiveness of the Group's risk management, internal control systems and the interim and annual financial statements before their submission to the Board.

The Board has, through the Audit Committee, reviewed the effectiveness of the Group's system of internal controls. Any system of internal control can only provide reasonable, and not absolute, assurance that material financial irregularities will be detected or that risk of failure to achieve business objectives is eliminated.

The Directors, having reviewed the effectiveness of the system of internal financial, operational and compliance controls and risk management, consider that the system of internal control operated effectively throughout the financial year and up to the date that the financial statements were signed.

The Company has adopted a share dealing code for dealings in shares by the Directors and senior employees that is viewed as appropriate for an AIM company. The Directors intend to comply with Rule 21 of the AIM Rules relating to Directors' dealings and to take all reasonable steps to ensure compliance by the Group's relevant employees.

## Relationship agreement

The Company, Mirabaud (the Company's Broker), Strand Hanson (the Company's Nomad) and certain of the Shareholders namely Bindu Urja Investments Inc (formerly Caparo Energy Investments Inc), Bindu Urja Holdings Inc (formerly Caparo Energy Holdings Inc), Bindu Urja Inc (formerly Caparo Energy Capital Inc), Ravi Kailas, Sila Energy Inc, Esrano Overseas Limited and Angad Paul entered into a relationship agreement whereby those Shareholders undertake to the Company and Strand Hanson, inter alia, not to exercise their voting rights to take control of the Board of the Company and to conduct all transactions and relationships between them (and any of their associates or concert parties) and the Company on terms which allow the Company to carry on its business independently, at arm's length and on a normal commercial basis. The agreement remains in force for so long as such Shareholders, their associates and concert parties together own or control, directly or indirectly, more than 30% of the voting rights in the Company.

## Conflicts of interest

The Company has in place procedures for the disclosure and review of any conflicts or potential conflicts of interest which the Directors may have and for the authorisation of such conflicts by the Board. During the year there were no such conflicts of interest.

# Independent auditor's report to the members of Mytrah Energy Limited (formerly Caparo Energy Limited)

We have audited the Group financial statements of Mytrah Energy Limited (formerly Caparo Energy Limited) for the year ended 31 March 2011, which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flow, and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRSs') as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 March 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

## Other matters

In our opinion the part of the Directors' report relating to Director's remuneration has been properly prepared in accordance with the provisions of AIM Rule 19.

## Deloitte LLP

Chartered Accountants  
London, United Kingdom

11 September 2011

# Consolidated statement of comprehensive income

## for the year ended 31 March 2011

	Notes	Year ended 31 March 2011 US\$	Period from 12 November 2009 to 31 March 2010 US\$
<b>Continuing operations</b>			
Administrative expenses	2	(2,301,376)	(175,770)
<b>Operating loss</b>		<b>(2,301,376)</b>	<b>(175,770)</b>
Investment income	4	999,830	708
Other gains	5	141,648	–
Finance costs	6	(37,082)	–
<b>Loss before tax</b>		<b>(1,196,980)</b>	<b>(175,062)</b>
Taxation	16	(378,423)	–
<b>Loss for the year/period from continuing operations attributable to the equity holder of the Company</b>		<b>(1,575,403)</b>	<b>(175,062)</b>
<b>Other comprehensive loss</b>			
Exchange differences on translating foreign operations		(929,328)	(3,752)
<b>Other comprehensive loss for the year/period</b>		<b>(929,328)</b>	<b>(3,752)</b>
<b>Total comprehensive loss for the year/period attributable to the equity holders of the Company</b>		<b>(2,504,731)</b>	<b>(178,814)</b>
<b>Basic and diluted loss per share</b>	21	<b>(0.0096)</b>	<b>(0.0011)</b>

# Consolidated statement of financial position

## as at 31 March 2011

	Notes	31 March 2011 US\$	31 March 2010 US\$
<b>Non-current assets</b>			
Property, plant and equipment	7	28,283,068	32,399
Other non-current assets	8	1,645,436	36,427
<b>Total non-current assets</b>		<b>29,928,504</b>	68,826
<b>Current assets</b>			
Advances and other current assets	9	31,010,598	11,658
Cash and bank balances	10	16,861,883	229,394
<b>Total current assets</b>		<b>47,872,481</b>	241,052
<b>Total assets</b>		<b>77,800,985</b>	309,878
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	7,115,519	488,459
Tax liabilities		340,961	–
<b>Total liabilities</b>		<b>7,456,480</b>	488,459
<b>Net assets/(liabilities)</b>		<b>70,344,505</b>	(178,581)
<b>Equity</b>			
Invested capital	11	–	233
Share capital	12	72,858,278	–
Retained earnings	14	(1,750,465)	(175,062)
Other reserves	13	(763,308)	(3,752)
<b>Total equity</b>		<b>70,344,505</b>	(178,581)

These Financial Statements were approved by the Board of Directors and authorised for use on 11 September 2011.

Signed on behalf of the Board of Directors by:



Ravi Shankar Kailas  
Chairman and CEO



Vikram Kailas  
Chief Financial Officer



# Consolidated statement of changes in equity

## for the year ended 31 March 2011

	Invested capital US\$	Share capital US\$	Re-translation reserve US\$	Equity settled employee benefits reserve US\$	Retained earnings US\$	Total US\$
Balance as at 12 November 2009	–	–	–	–	–	–
Loss for the period	–	–	–	–	(175,062)	(175,062)
Other comprehensive loss for the period	–	–	(3,752)	–	–	(3,752)
<b>Total comprehensive loss for the period</b>	–	–	(3,752)	–	(175,062)	(178,814)
Issue of shares	233	–	–	–	–	233
<b>Balance as at 31 March 2010</b>	233	–	(3,752)	–	(175,062)	(178,581)
Loss for the year	–	–	–	–	(1,575,403)	(1,575,403)
Other comprehensive loss for the year	–	–	(929,328)	–	–	(929,328)
<b>Total comprehensive loss for the year</b>	–	–	(929,328)	–	(1,575,403)	(2,504,731)
Issue of shares to shareholders of Bindu Vayu (Mauritius) Limited	39,767	–	–	–	–	39,767
Transfer of shares to Mytrah Energy Limited shareholders	(40,000)	40,000	–	–	–	–
Issue of shares on IPO	–	79,241,910	–	–	–	79,241,910
Share issue costs on IPO	–	(6,423,632)	–	–	–	(6,423,632)
Equity settled share-based payments	–	–	–	169,772	–	169,772
<b>Balance as at 31 March 2011</b>	–	<b>72,858,278</b>	<b>(933,080)</b>	<b>169,772</b>	<b>(1,750,465)</b>	<b>70,344,505</b>

# Consolidated statement of cash flow

## for the year ended 31 March 2011

	Notes	Year ended 31 March 2011 US\$	Period from 12 November 2009 to 31 March 2010 US\$
<b>Cash flows from operating activities</b>			
Loss from operations		(2,301,376)	(175,770)
Adjustments:			
Equity settled employee benefits	22	169,772	–
Depreciation	7	18,291	1,761
<b>Operating cash flows before working capital changes</b>		<b>(2,113,363)</b>	<b>(174,009)</b>
Movements in working capital:			
Increase in other current assets		(1,087,974)	(48,085)
Increase in trade and other payables		233,000	484,937
Taxes paid		(37,462)	–
<b>Net cash (used in)/generated by operating activities</b>		<b>(3,005,799)</b>	<b>262,843</b>
Purchase of property, plant and equipment		(21,874,900)	(34,160)
Investment in mutual funds	5	(106,630,452)	–
Redemption of mutual funds units	5	106,772,100	–
Investment income		836,387	708
<b>Cash used in investing activities</b>		<b>(20,896,865)</b>	<b>(33,452)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of Ordinary Share capital	12	79,241,910	233
Costs of equity issuance		(6,423,632)	–
Capital advances		(29,916,446)	–
Loan facility fees		(1,440,086)	–
Term loans received		220,822	–
Term loans paid		(220,822)	–
Finance costs		(37,082)	–
<b>Cash generated by finance activities</b>		<b>41,424,664</b>	<b>233</b>
<b>Net increase in cash and cash equivalents</b>		<b>17,522,050</b>	<b>229,624</b>
<b>Cash and cash equivalents at beginning of the year/period</b>		<b>229,394</b>	<b>–</b>
Net effect of foreign currency translation to presentation currency		(889,561)	(230)
<b>Cash and cash equivalents at end of the year/period</b>	10	<b>16,861,883</b>	<b>229,394</b>

# Notes to the consolidated financial statements

## for the year ended 31 March 2011

### 1. Notes to Financial Information

#### 1.1 Background information

Mytrah Energy Limited (formerly Caparo Energy Limited) ('MEL' or the 'Company') is a non-cellular company liability limited by shares incorporated on 13 August 2010 under The Companies (Guernsey) Law, 2008. The address of the registered office is Anson Place, Mill Court, La Charroterie, St. Peter Port, Guernsey, GY1 1EJ.

Mytrah Energy Limited has the following subsidiary undertakings, (together the 'Group'), all of which are directly or indirectly held by the Company, for which consolidated financial statements are being prepared, as set out below:

Subsidiary	Country of incorporation or residence	Proportion of ownership interest (%)	Proportion of voting power (%)	Activity
Caparo Energy (India) Limited ('CEIL') <sup>1</sup>	India	99.88	99.88	Operating company
Bindu Vayu (Mauritius) Limited ('BVML') <sup>2</sup>	Mauritius	100	100	Holding company

1 Under Indian law a public company must have at least seven members. The remaining sixty shares are held by the following shareholders: Ravi Kailas, Angad Paul, Vikram Kailas, Sree Ramulu Kailas, Uma Thondepu and Vasudevi Kailas.

2 Formerly known as Caparo Energy Investments (Mauritius) Limited ('CEILM').

The principal activity of the Company is to operate wind energy farms as a leading independent power producer, and to engage in the sale of energy to the Indian market through its Indian subsidiary, CEIL.

#### 1.2 Adoption of new and revised standards and interpretations

In the current year, the following new and revised standards and interpretations have been adopted by the Group, none of which had a material impact on the current year or prior period reported results or financial position:

Standard or interpretation	Effective for reporting periods starting on or after
IFRS 2 Amendment to group cash-settled share-based payment transactions	Beginning on or after 1 January 2010
IFRS 3 Revised IFRS 3 Business combinations	Beginning on or after 1 July 2009
IAS 27 Amendment to IAS 27 Consolidated and Separate Financial Statements	Beginning on or after 1 July 2009
IFRIC 12 Service concession arrangements	Beginning on or after 1 January 2010 – (as endorsed by the EU in November 2009)

At the date of authorisation of the financial statements, the following standards and interpretations, have not been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been endorsed by the EU).

# Notes to the consolidated financial statements

## for the year ended 31 March 2011 continued

### 1.2 Adoption of new and revised standards and interpretations continued

Standard or interpretation		Effective for reporting periods starting on or after
IFRS 9	Financial Instruments	Annual periods beginning on or after 1 January 2013
IFRS 7	Financial Instruments disclosure – Amendments resulting from May 2010 annual improvements to IFRS	Annual periods beginning on or after 1 January 2011
IFRS 7	Financial Instruments: Disclosures Amendments enhancing disclosures about transfers of financial assets	Annual periods beginning on or after 1 July 2011
IFRS 10	Consolidated Financial Statements	Annual periods beginning on or after 1 January 2013
IFRS 11	Joint Arrangements	Annual periods beginning on or after 1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	Annual periods beginning on or after 1 January 2013
IFRS 13	Fair Value Measurement	Annual periods beginning on or after 1 January 2013
IAS 1	Presentation of Financial Statements Amendments resulting from May 2010 Annual Improvements to IFRSs	Annual periods beginning on or after 1 July 2012
IAS 1	Presentation of Financial Statements Amendments to revise the way other comprehensive income is presented	Annual periods beginning on or after 1 January 2012
IAS 12	Income Taxes Limited scope amendment (recovery of underlying assets)	Annual periods beginning on or after 1 January 2012
IAS 19	Employee Benefits – Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects	Annual periods beginning on or after 1 January 2013
IAS 24	Related Party Disclosures – Revised Definition of Related Parties	Annual periods beginning on or after 1 January 2011
IAS 27	Consolidated and Separate Financial Statements Amendments resulting from May 2010 Annual Improvements to IFRSs	Annual periods beginning on or after 1 July 2010
IAS 27	Consolidated and Separate Financial Statements – Reissued as IAS 27 Separate Financial Statements (as amended in 2011)	Annual periods beginning on or after 1 January 2013
IAS 28	Investments in Associates – Reissued as IAS 28 Investments in Associates and Joint Ventures (as amended in 2011)	Annual periods beginning on or after 1 January 2013
IAS 34	Interim Financial Reporting – Amendments resulting from May 2010 annual improvements to IFRSs	Annual periods beginning on or after 1 January 2011

Based on the Company's current business model and accounting policies, management does not expect that the adoption of these standards or interpretations will have a material impact on the financial statements of the Company. The Company does not intend to apply any of these pronouncements early.

### 1.3 Significant accounting policies

#### 1.3.1 Basis of accounting

These consolidated financial statements have been prepared in accordance with and comply with IFRS as adopted by the European Union.

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The Directors have taken advantage of the exemption offered by Section 244 (5) of the Companies (Guernsey) Law, 2008 from preparation of individual financial statements of the Company as the Company is preparing and presenting consolidated financial statements for the financial year ended 31 March 2011 and the comparative period.

# Notes to the consolidated financial statements

## for the year ended 31 March 2011 continued

### 1.3.2 Basis of consolidation

The Company was incorporated for the purpose of acquiring a controlling interest in its directly held, wholly owned subsidiary BVML, which was acquired by the Company in September 2010. BVML itself had acquired a controlling interest in its directly held, wholly owned, subsidiary, CEIL in September 2010. These transactions are considered to be common control transaction as defined in IFRS 3 Business Combinations ('IFRS 3'), as the companies were controlled by the same shareholders. The Directors note that transactions under common control are outside the scope of IFRS 3 and that there is no guidance elsewhere in IFRS covering such transactions.

The Group's policy is to apply merger accounting principles, such that the consolidated financial statements of MEL incorporate the combined Group entities' results and cash flows as if the entities have been combined since the beginning of the comparative period, with the assets and liabilities of the purchased businesses incorporated at the consolidated book value, and transactions and balances between entities being eliminated.

The comparative information which reflects the results of CEIL has been extracted from the AIM Admissions document and its equity adjusted, as if the Company had existed from the beginning of the comparative period. Invested capital within equity reflects the aggregated equity of BVML and CEIL, prior to the formation of the Group. At the point at which the Company became the parent company of the Group, this was transferred to the share capital of the Company. Please also refer to statement of changes in equity and note 11.

### 1.3.3 Going concern

Subsequent to year end, the Company's subsidiary CEIL, made further capital commitments of US\$337.4 million. The capital commitments are in relation to the supply of additional wind farm assets, the supply of which the Director's consider are an integral part of their business plan. The Group forecast shows that it has US\$148.1 million of available financing to fund these projects, including the US\$111.5 million of mezzanine financing raised subsequent to the year end.

In respect of the financing the senior debt requirement of US\$189.3 million the Directors are in discussions with a number of lenders and have received broad agreement to finance the supply of additional wind farm assets referred to above from a leading lender in India. The Directors are confident that the financing will be in place in advance of when the commitments crystallise. The Directors are confident that if the financing was not finalised, they would be able to renegotiate the timing for the supply of wind farm assets that have been committed to with the supplier of the assets. Further, if this was not possible, the Company believes that the Group's maximum liability under the agreements is capped at a level within available resources.

Therefore, after making enquiries and assessing the Group's financial position, anticipated future performance, its available and planned bank facilities and capital expenditure plans, together with other risks facing the Group, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### 1.3.4 Foreign currencies

The consolidated financial statements are presented in US dollars, which is the presentational currency of the Company, as the financial statements will be used by international investors and other stakeholders because the Company's shares have been listed on AIM. The functional currency of the parent company is sterling ('GBP'). The functional currency of the main operating subsidiary of the Group is Indian rupees ('INR').

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period. For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into US dollars ('US\$') using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive loss and accumulated in equity.

The US\$:INR exchange rates used to translate the INR financial information into the presentation currency of US\$ were as follows:

	2011	2010
Closing rate at 31 March	<b>45.2854</b>	45.14
Average rate for the year ended 31 March	<b>45.6164</b>	46.17

# Notes to the consolidated financial statements

## for the year ended 31 March 2011 continued

### 1.3 Significant accounting policies continued

#### 1.3.4 Foreign currencies continued

The GBP:US\$ exchange rates used to translate the GBP financial information into the presentation currency of US\$ were as follows:

	2011	2010
Closing rate at 31 March	<b>1.5834</b>	N/A
Average rate for the year ended 31 March	<b>1.6032</b>	N/A

#### 1.3.5 Financial instruments

##### *Financial instruments*

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

##### *Financial assets*

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Financial assets are classified into the following specified categories: 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset held at amortised cost and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Investment income is recognised on an effective interest basis for debt instruments.

##### *Available for sale financial assets*

Listed shares and listed redeemable notes held by the Group that are traded in an active market are classified as being AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

##### *Loans and receivables (including cash and bank balances)*

Cash and bank balances and trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Cash and bank balances comprise cash in hand and cash at bank or deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value. Impairment of financial assets.

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

# Notes to the consolidated financial statements

## for the year ended 31 March 2011 continued

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### *Financial liabilities and equity*

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

### *Financial liabilities*

Financial liabilities are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

## 1.3.6 Property, plant and equipment

### *(i) Initial recognition*

Property, plant and equipment are recognised as assets in the statement of financial position if it is probable that the Group will derive future economic benefits from them and the cost of the asset can be reliably estimated.

Items of property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Advances paid in respect of work that is yet to be performed is classified as an advanced payment within other assets in the consolidated statement of financial position.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

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 within 'other Income' for gains and 'other operating expenses' for losses in the statement of comprehensive income.

### *(ii) Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction and production of qualifying assets are capitalised as part of the costs of those assets. Qualifying assets are those that necessarily take a substantial period of time to prepare for their intended use. Capitalisation of borrowing costs continues up to the date when the assets are substantially ready for their use. All other borrowing costs are expensed in the period in which they are incurred.

# Notes to the consolidated financial statements

## for the year ended 31 March 2011 continued

### 1.3 Significant accounting policies continued

#### 1.3.6 Property, plant and equipment continued

##### (iii) Depreciation

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives after taking into account their estimated residual value, using the straight-line method as stated below:

Furniture and fittings	five years
Office equipment	four to five years
Computers	four years
Vehicles	five years

Lease acquisition cost and leasehold improvements are depreciated over the primary period of the lease or estimated useful lives of the assets, whichever is less. Assets under construction are not depreciated, as they are not ready for use.

The depreciation methods, useful lives and residual value, are reassessed annually.

##### (iv) Impairment

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

#### 1.3.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in future years and it further excludes items that are permanently exempt from tax or allowable as a tax deduction. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

#### 1.3.8 Leasing

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.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

#### 1.3.9 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, and it is probable that an outflow of resources, that can reliably be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the consolidated statement of comprehensive income as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured reliably. Contingent assets are not recognised, but are disclosed where an inflow of economic benefits is probable.

#### 1.3.10 Critical accounting judgements and estimates

The Directors do not consider there to have been any critical accounting judgements made in determining the carrying amounts of assets and liabilities within the financial statements.



# Notes to the consolidated financial statements

## for the year ended 31 March 2011 continued

### 2. Operating loss for the period

The operating loss for the period has been arrived at after charging:

	Year ended 31 March 2011 US\$	Period from 12 November 2009 to 31 March 2010 US\$
Depreciation of property, plant and equipment	18,291	1,761
Staff costs	126,737	47,585
Director and key management remuneration (see note 20)	665,632	–

### 3. Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	Year ended 31 March 2011 US\$	Period from 12 November 2009 to 31 March 2010 US\$
<b>Audit fees</b>		
Audit of the Company's annual accounts	56,800	14,200
Audit of the Company's subsidiaries pursuant to legislation	18,400	4,600
Total audit fees	75,200	18,800
<b>Other services</b>		
Other services pursuant to legislation (Reporting accountant services as part of IPO)	128,000	–

### 4. Investment income

	Year ended 31 March 2011 US\$	Period from 12 November 2009 to 31 March 2010 US\$
<b>Loans and receivables (including cash and bank balances):</b>		
Interest on deposits	999,830	708
<b>Total investment income</b>	999,830	708

### 5. Other gains

	Year ended 31 March 2011 US\$	Period from 12 November 2009 to 31 March 2010 US\$
<b>Available for sale financial assets</b>		
Gain on disposal of available for sale investments	141,648	–
<b>Total other gains</b>	141,648	–

During the year ended 31 March 2011, the Group invested in available for sale investments in the amount of US\$106,630,452. These available for sale investments were sold prior to the period end for US\$106,772,100, resulting in a gain of US\$141,648, which is recognised as other gains on the consolidated statement of comprehensive income.

### 6. Finance cost

	Year ended 31 March 2011 US\$	Period from 12 November 2009 to 31 March 2010 US\$
Interest on loans from related parties	(26,642)	–
Bank charges	(10,440)	–
<b>Total finance cost</b>	(37,082)	–

# Notes to the consolidated financial statements

for the year ended 31 March 2011 continued

## 7. Property, plant and equipment

	Furniture and fittings US\$	Office equipment	Computers US\$	Vehicles	Leasehold improvements US\$	Wind farm assets under course of construction US\$	Total US\$
<b>Opening cost as at 12 November 2009</b>	–	–	–	–	–	–	–
<b>Cost</b>							
Additions	4,165	10,884	19,111	–	–	–	34,160
<b>Balance at 31 March 2010</b>	4,165	10,884	19,111	–	–	–	34,160
<b>Accumulated depreciation as at 12 November 2009</b>	–	–	–	–	–	–	–
Depreciation expense	147	617	997	–	–	–	1,761
<b>Balance as at 31 March 2010</b>	147	617	997	–	–	–	1,761
<b>Net book value as at 31 March 2010</b>	4,018	10,267	18,114	–	–	–	32,399
<b>Opening cost as at 1 April 2010</b>	–	6,057	9,800	59,688	51,335	28,142,189	28,269,069
Additions	–	6,057	9,800	59,688	51,335	28,142,189	28,269,069
Effect of foreign currency exchange difference	(14)	(34)	(61)	–	–	–	(109)
<b>Balance at 31 March 2011</b>	4,151	16,907	28,850	59,688	51,335	28,142,189	28,303,120
<b>Accumulated depreciation as at 1 April 2010</b>	147	617	997	–	–	–	1,761
Depreciation expense	1,703	3,331	5,559	4,564	3,134	–	18,291
<b>Balance as at 31 March 2011</b>	1,850	3,948	6,556	4,564	3,134	–	20,052
<b>Net book value as at 31 March 2011</b>	2,301	12,959	22,294	55,124	48,201	28,142,189	28,283,068

## 8. Other non-current assets

	As at 31 March 2011 US\$	As at 31 March 2010 US\$
Deposits	205,350	36,427
Prepayments	1,440,086	–
<b>Total other non-current assets</b>	<b>1,645,436</b>	<b>36,427</b>

# Notes to the consolidated financial statements

## for the year ended 31 March 2011 continued

### 9. Advances and other current assets

	As at 31 March 2011 US\$	As at 31 March 2010 US\$
Capital advances	29,916,446	–
Other advances	854,725	11,658
Deposits	75,984	–
Interest accrued	163,443	–
<b>Total advances and other current assets</b>	<b>31,010,598</b>	<b>11,658</b>

Capital advances represent advance payments made to Suzlon Energy Limited for the construction of windfarm assets, as part of a long-term construction service contract.

### 10. Cash and bank balances

	As at 31 March 2011 US\$	As at 31 March 2010 US\$
Cash in hand	126	232
Bank balances	1,311,491	229,162
Bank deposits	15,550,266	–
<b>Total cash and bank balances</b>	<b>16,861,883</b>	<b>229,394</b>

Bank deposits have a maturity period of less than 90 days.

### 11. Invested Capital

	As at 31 March 2011 US\$	As at 31 March 2010 US\$
Balance at beginning of period	233	233
Issue of shares for BVML	39,767	–
Transfer of shares to MEL	(40,000)	–
<b>Total invested capital</b>	<b>–</b>	<b>233</b>

Invested capital within equity reflects the share capital of BVML and CEIL, prior to the formation of the Group. At the point at which the Company became the parent company of the Group, this was transferred to the share capital of the Company. See note 12.

### 12. Share capital

Issued and fully paid up share capital of the Company

	As at 31 March 2011 US\$	As at 31 March 2010 US\$
163,636,000 Ordinary Shares with a no par value	72,858,278	–

	Number of shares
Issue of share on incorporation of US\$1.53 per share at 13 August 2010	1
Issue of shares to shareholders of BVML	119,999,999
Issue of shares on IPO	43,636,000
<b>Total number of shares at 31 March 2011</b>	<b>163,636,000</b>

After its incorporation on 13 August 2010 MEL acquired 119,999,999 shares in BVML, from its existing shareholders namely, Esranco Overseas Ltd, Bindu Urja Investments Inc (formerly Caparo Energy Investments Inc), Bindu Urja Holding Inc (formerly Caparo Energy Holdings Inc), Bindu Urja Capital Inc (Caparo Energy Capital Inc), and Sila Energy Inc. In consideration of the said transfer the Company issued shares of the Company at no par value in its capital. Subsequently the Company raised US\$79,241,910 before share issue costs of US\$6,423,632 and issued 43,636,000 shares of no par value through listing of its shares on AIM.

The issued share capital refers to Ordinary Share capital, which carries voting rights with entitlement to an equal share in dividends authorised by the Board and in the distribution of the surplus assets of the Company.

# Notes to the consolidated financial statements

## for the year ended 31 March 2011 continued

### 13. Other reserves

#### (a) Equity settled employee benefits reserve:

The equity settled employee benefits reserve relates to the share options granted to employees under the employee share option plan. Further information about share-based payments is set out in note 22.

	As at 31 March 2011 US\$	As at 31 March 2010 US\$
Balance at beginning of the year	–	–
Arising on share-based payments	<b>169,772</b>	–
<b>Balance at end of year</b>	<b>169,772</b>	–

Exchange differences relate to the translation of the net assets of the Group's foreign operations which relate to subsidiaries, from their functional currency into the Group's presentational currency being US\$.

#### (b) Foreign currency translation reserve

	As at 31 March 2011 US\$	As at 31 March 2010 US\$
Balance at beginning of the year	<b>(3,752)</b>	–
Exchange differences arising on translating the net assets of foreign operations	<b>(929,328)</b>	(3,752)
<b>Balance at end of year</b>	<b>(933,080)</b>	(3,752)

### 14. Retained earnings

	As at 31 March 2011 US\$	As at 31 March 2010 US\$
Balance at beginning of the year	<b>(175,062)</b>	–
Loss for the period from continuing operations	<b>(1,575,403)</b>	(175,062)
<b>Balance at end of year</b>	<b>(1,750,465)</b>	(175,062)

### 15. Trade and other payables

	As at 31 March 2011 US\$	As at 31 March 2010 US\$
Trade payables	<b>7,061,540</b>	488,459
Other payables	<b>53,979</b>	–
<b>Total trade and other payables</b>	<b>7,115,519</b>	488,459

### 16. Tax

	As at 31 March 2011 US\$	As at 31 March 2010 US\$
Income tax	<b>378,423</b>	–
<b>Income tax expense</b>	<b>378,423</b>	–

A reconciliation of the income tax expense applicable to the loss before income tax at the standard statutory income tax rate in India to the income tax expense at the Group's effective income tax rate for the period ended 31 March 2011 and 2010 is as follows:

	Year ended 31 March 2011 US\$	Period from 12 November 2009 to 31 March 2010 US\$
<b>Loss before tax</b>	<b>(1,196,980)</b>	(175,062)
Tax at the standard rate of corporation income tax of 33.22% (2010: 33.99%)	<b>397,637</b>	69,885
Tax effect of losses that cannot be carried forward (see below)	<b>(776,060)</b>	(69,885)
<b>Income taxes recognised in the consolidated statement of comprehensive income</b>	<b>(378,423)</b>	–

# Notes to the consolidated financial statements

## for the year ended 31 March 2011 continued

The Company is exempt from Guernsey income tax under the Income Tax (Exempt bodies) (Guernsey) Ordinance, 1989 and is subject to an annual fee of US\$962.

The applicable tax rate is the standard effective corporate income tax rate in India. The Indian tax rate decreased from 33.99% to 33.22% with effect from 1 April 2010. Indian companies are subject to corporate income tax or Minimum Alternate Tax ('MAT'). If MAT is greater than corporate income tax then MAT is levied. The Company is not liable for MAT as the Company is currently loss making.

Current Indian tax law does not allow losses incurred before trading commences to be carried forward, which results in a permanent difference between tax losses and book losses. Accordingly, there is no deferred tax asset recorded on the 31 March 2011 or 2010 consolidated statement of financial position.

### 17. Commitments

#### (a) Capital commitments

	As at 31 March 2011 US\$	As at 31 March 2010 US\$
<b>Capital commitments</b>	<b>(82,879,765)</b>	–

The capital expenditures authorised and contracted relate to the provision of wind farm assets, which have not been provided for in the accounts. This is net of advances paid of US\$29,916,446 (see note 9)

#### (b) Operating leases

The Group leases office premises under non-cancellable operating lease agreements with a term of three years.

The leasing arrangement contains a renewal clause providing the Company with the option of extending the lease for further periods of three years and four years at the prevailing market rate.

Total operating lease expense recognised in the consolidated statement of comprehensive income as administrative expenses was US\$172,972 (2010: US\$22,503).

#### Minimum lease payments

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	As at 31 March 2011 US\$	As at 31 March 2010 US\$
Within one year	<b>86,869</b>	84,361
Later than one year and within five years	<b>92,081</b>	159,462
<b>Total future minimum lease payments</b>	<b>178,950</b>	243,823

# Notes to the consolidated financial statements

for the year ended 31 March 2011 continued

## 18. Financial instruments

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the basis for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 1.

### Categories of financial instruments

The accounting classification of each category of financial instruments and their carrying amounts has been tabulated below:

	Carrying amount as at 31 March 2011 US\$	Fair values as at 31 March 2011 US\$	Carrying amount as at 31 March 2010 US\$	Fair values as at 31 March 2010 US\$
<b>Financial assets</b>				
<b>Loans and receivables (including cash and bank balances)</b>				
Other current assets (deposits)	75,984	75,984	–	–
Other current assets (interest accrued)	163,443	163,443	163,443	163,443
Other non-current assets (deposits)	205,350	195,493	36,427	34,679
Cash and bank balances	16,861,883	16,861,883	229,394	229,394
<b>Total financial assets</b>	<b>17,306,660</b>	<b>17,296,803</b>	429,264	427,516
<b>Financial liabilities</b>				
<b>Amortised costs</b>				
Trade and other payables (trade payables)	(7,061,540)	(7,061,540)	(488,459)	(488,459)
Trade and other payables (other payables)	(53,979)	(53,979)	–	–
<b>Total financial liabilities</b>	<b>(7,115,519)</b>	<b>(7,115,519)</b>	(488,459)	(488,459)

The fair value of the financial assets and liabilities are estimated at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair value of the financial instruments approximate their carrying amounts largely due to the short-term maturities or nature of these instruments.

### Currency risk

The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency.

The Group's exposure to foreign currency arises in part when the Group Company holds financial assets and liabilities denominated in a currency different from the functional currency of the entity with US\$ being the major non-functional currency of the Group's main operating subsidiaries. The Group did not hold any financial assets and liabilities denominated in a currency different from the functional currency of the entity as at 31 March 2011, or 2010.

### Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk on its cash and bank balances. Under the Group's interest rate management policy, interest rates on monetary assets are non-interest bearing or maintained on a floating rate basis. The average interest rate on short-term bank deposits during the year was 7.10% (2010: nil).

### Interest rate risk management

The primary goal of the Group's investment strategy is to ensure risk free returns are earned on surplus funds. Market price risk arises from cash and bank balances held by the Group. The Group monitors its investment portfolio based on market expectations and credit worthiness. Material investments within the portfolio are managed on an individual basis.

The Group's exposure to interest rates on financial instruments is detailed below:

	As at 31 March 2011 US\$	As at 31 March 2010 US\$
<b>Variable interest rate financial assets</b>		
Cash and bank balances (maturities of less than one month)	16,861,883	229,394
<b>Total variable interest rate financial assets</b>	<b>16,861,883</b>	229,394

# Notes to the consolidated financial statements

## for the year ended 31 March 2011 continued

The amounts included above for variable interest rate financial assets are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the reporting date.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's total comprehensive loss for the year would increase/decrease by US\$9,998. (2010: nil).

### Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk are set out below.

The following table details the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Less than one year US\$	Over one year US\$	Total US\$
<b>Financial liabilities – amortised cost</b>			
Trade and other payables	7,115,519	–	7,115,519
<b>Total financial liabilities – amortised cost</b>	<b>7,115,519</b>	<b>–</b>	<b>7,115,519</b>

The Group has access to financing facilities as described below, of which US\$100,000,000 were unused at the balance sheet date (2010: US\$nil). The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

	As at 31 March 2011 US\$	As at 31 March 2010 US\$
<b>Unsecured bank facility – maturing 15 September 2024</b>		
Amount used	–	–
Amount unused	<b>100,000,000</b>	–
<b>Total unsecured bank facility</b>	<b>100,000,000</b>	–

In respect of the facilities held by the Group, fees of US\$1,440,086 were paid which have been classified as prepayments within non-current assets as at 31 March 2011 (see note 8) and will be reflected in the carrying value of the loan when it is drawn down.

### Credit risk

The Company is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

Financial assets that potentially expose the Company to credit risk consist principally of cash and bank balances, which are held with institutions with a minimum credit rating of AA.

The fair value of financial assets represents the maximum credit exposure.

### 19. Capital management policies

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

# Notes to the consolidated financial statements

for the year ended 31 March 2011 continued

## 20. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

The Directors of the Company who are also considered to be the key management personnel are:

1 Hon Angad Paul	– Chairman
2 Mr Ravi Kailas	– CEO and Managing Director
3 Mr Vikram Kailas	– Chief Financial Officer
4 Mr Rohit Phansalkar	– Non-Executive Director
5 Mr Alastair Cade	– Executive Director
6 Mr Charles Edmund Wilkinson	– Non-Executive Director
7 Mr Philip Swatman	– Non-Executive Director

The entities where certain key management personnel have significant influence are:

1 Caparo Engineering (India) Limited	– Hon Angad Paul
2 Zip Reality Private Limited	– Mr Ravi Kailas
3 Bindu Urja Holding Inc	– Mr Ravi Kailas
4 Bindu Urja Investments Inc	– Mr Ravi Kailas
5 Bindu Urja Inc	– Mr Ravi Kailas
6 Esrano Overseas Limited	– Hon Angad Paul
7 RKP Capital Inc	– Mr Rohit Phansalkar
8 Chakas Investments UK Limited	– Mr Alastair Cade
9 Sila Energy Inc	– Mr Ravi Kailas

Related party transactions:

	Year ended 31 March 2011 US\$	Year ended 31 March 2010 US\$
Advisory services fees to RKP Capital Inc.	<b>55,318</b>	–
Reimbursement of expenses to Chakas Investments UK Limited	<b>71,458</b>	–
Reimbursement of expenses to Sila Energy Inc	<b>12,090</b>	–

During the year the Company has issued 58,200,000, 24,000,000, 12,000,000, 24,000,000 and 1,800,000 equity shares to Bindu Urja Capital Inc, Bindu Urja Investments Inc., Bindu Urja Capital Inc., Esrano Overseas Limited and Sila Energy Inc respectively.

During the year the Company's subsidiary CEIL has taken and repaid short-term working capital loan from Zip Reality Private Limited amounting to US\$220,821. The Company also repaid a short-term working capital loan taken from Caparo Engineering (India) Limited during the previous period amounting to US\$441,643 and paid interest of US\$26,425.

The following balances were outstanding at the end of the reporting period:

	Year ended 31 March 2011 US\$	Year ended 31 March 2010 US\$
Payable to Chaka Investments UK Limited	<b>13,486</b>	–
Payable to Sila Energy Inc	<b>11,940</b>	–



# Notes to the consolidated financial statements

## for the year ended 31 March 2011 continued

Remuneration of key management personnel:

The remuneration of Directors, who are the key management personnel of the Group is set out below for each of the categories specified in IAS 24 Related Party Disclosures. Further information about the remuneration of the individual Directors is provided in the Directors' report starting on page 14.

	Year ended 31 March 2011 US\$	Period from 1 November 2009 to 31 March 2010 US\$
Short-term employee benefits	551,178	–
Share-based payments	169,772	–
<b>Total remuneration of key management personnel</b>	<b>720,950</b>	<b>–</b>

The Directors do not consider that there were any other related party transactions that have not been disclosed in these financial statements.

### 21. Earnings per share

Basic earnings per share is calculated by dividing loss attributable to Ordinary Shareholders of the Company by the weighted average number of Ordinary Shares outstanding during the period.

Options to purchase Ordinary Shares that were not included in the computation of diluted earnings per share, because they are anti dilutive were 4,877,400 at 31 March 2011, and nil at 31 March 2010.

	Year ended 31 March 2011 US\$	Period from 1 November 2009 to 31 March 2010 US\$
Loss attributable to the equity holders of the Company	1,575,403	175,062
Weighted average number of Ordinary Shares outstanding during the period	163,636,000	163,636,000
Basic and diluted earnings per share	(0.0096)	(0.0011)

As noted in the basis of preparation in note 1.3.2, the financial statements combine the results, assets and liabilities of the Group businesses acquired by the Company under the reorganisation prior to IPO.

To reflect this in the earnings per share calculation for the year and period ending 31 March 2011 and 2010, the weighted average number of shares has been calculated on the basis that the number of shares outstanding in the current and comparative period was the number of shares outstanding after the completion of the IPO.

### 22. Share-based payments

The Company has an equity-settled share option scheme for certain Directors of the Company. All options have a vesting period of three years. Each share option converts into one Ordinary Share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of the expiry. Options lapse if the employee leaves the Company before the options vest. Details of the share options outstanding during the period are as follows.

Period ended 31 March 2011	Number of share options
Outstanding at beginning of period	–
Granted during the period	4,877,400
Outstanding at the end of the period	4,877,400

# Notes to the consolidated financial statements

## for the year ended 31 March 2011 continued

### 22. Share-based payments continued

There were no share options forfeited, exercised, or expired during the periods ended 31 March 2011 or 2010. There were no share options exercisable at 31 March 2011, or 2010. The options outstanding at 31 March 2011 had a weighted average exercise price of GBP 1.15, and a weighted average remaining contractual life of 9.52 years. Details of the share options granted during the period are as follows:

Director name	Shares granted during the period	Grant date	Expiry date	Exercise Price (GBP)	Fair value at grant date (GBP)
Alastair Cade	2,400,000	04.10.2010	04.10.2020	1.15	1.175
Vikram Kailas	2,400,000	04.10.2010	04.10.2020	1.15	1.175
Rohit Phansalkar	38,700	04.10.2010	04.10.2020	1.15	1.175
Philip Swatman	38,700	04.10.2010	04.10.2020	1.15	1.175

The aggregate fair value of the share options granted during the period was US\$1,097,145.

Weighted average share price (GBP)	1.175
Weighted average exercise price (GBP)	1.15
Expected volatility	12.32%
Expected life	three years
Risk-free interest rate	0.78%

Expected volatility was determined by calculating the historical volatility of the Group's share price from the date of listing on 12 October 2010 to the reporting date of 31 March 2011. The expected life use in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The Group recognised total expenses of US\$169,772 related to equity-settled share-based payment transactions in the current year.

### 23. Contingent liabilities

The Group has provided bank guarantees. Where there are such arrangements they are considered to be insurance arrangements and accounts for them as such. Guarantees are treated as contingent liabilities until such a time as it becomes probable that the Company will be required to make a payment under the guarantee.

### 24. Segmental information

In view of its very specific activity (investing in wind farms in India) the Group only has one operating and reportable segment and only one geographical area. It is managed, operates and reports internally and externally as a single segment in both the current and prior period. The Group has not yet begun to trade and substantially all of the Group's non-current assets are located in India.

### 25. Subsidiaries

A list of the investments in subsidiaries is provided in note 1.1.

### 26. Ultimate controlling party

The Directors do not consider there to be an ultimate controlling party as there is a relationship agreement between the Company and the Controlling Shareholders (namely Bindu Urja Investments Inc, Bindu Urja Holdings Inc, Bindu Urja Capital Inc, Ravi Kailas, Sila Energy Limited and Esrano Overseas Limited and Angad Paul) whereby those shareholders undertake to the Company not to exercise their voting rights to take control of the Board of the Company and to conduct all transactions and relationships between them (and any of their associates or certain parties) and the Company on terms which allow the Company to carry on its business independently, at arm's length and on a normal commercial basis.

# Notes to the consolidated financial statements

## for the year ended 31 March 2011 continued

### 27. Events after the reporting period

- a) On 4 May 2011 CEIL, a wholly owned subsidiary of the Company entered into a Multiannual agreement with Gamesa for the supply, erection and commissioning, operation and maintenance of wind turbine generators for wind farms in India up to 2000 MW capacity.
- b) In respect to the loan facilities referred to in Note 18 whilst no drawdown had been made as at 31 March 2011, subsequent to year end, an amount of US\$29,501,119 was drawn down. In compliance with the terms of the loan agreement CEIL has created a charge on all project movable, immovable properties, cash flows, receivables and revenues in favour of the Infrastructure Development Finance Company Limited ('IDFC').
- c) On 20 June 2011 CEIL, a wholly owned subsidiary of the Company, entered into an investment agreement, with the IDFC Project Equity Company Limited ('India Fund'). As per the agreement the India Fund would invest in CEIL an amount of US\$78,500,000 in the form of convertible preference shares. On 4 August 2011 an agreement was reached to fund a further amount of US\$33,000,000 in form of compulsory convertible debentures ('CCDs').
- d) Subsequent to year end, the Company's subsidiary CEIL, has made further capital commitments of US\$337,431,048. The capital commitments are in relation to the supply of additional wind farm capacity, the supply of which the Directors consider are an integral part of their business plan. The Group currently has US\$148,050,000 of financing available to fund these projects, including the US\$111,500,000 of mezzanine financing raised subsequent to the year end as explained in Note 27 (c). In respect of the remaining senior debt financing of US\$189,381,048 the the Directors are in discussions with a number of lenders and have received broad agreement to finance the supply of additional wind farm assets referred to above from a leading lender in India. The Directors are confident that the financing will be in place in advance of when the commitments crystallise

# Notice of Annual General Meeting

## Mytrah Energy Limited (formerly Caparo Energy Limited)

(Incorporated and registered in Guernsey with company number 52284)

**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 immediately to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised pursuant to the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred all of your Ordinary Shares in Mytrah Energy Limited, please immediately forward this document and the accompanying Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdictions. Therefore, persons into whose possession this document comes should inform themselves about and observe any such laws and restrictions in any such jurisdictions. Any failure to comply with these restrictions may constitute the violation of the security laws of such jurisdictions. If you have sold or transferred only part of your holding of Ordinary Shares in Mytrah Energy Limited you should retain these documents.

Notice is hereby given that the 2011 Annual General Meeting ('AGM') of the shareholders of Mytrah Energy Limited (the 'Company') will be held at Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 1EJ, Channel Islands on 3 November 2011 at 12.00 noon to consider and, if thought fit, pass the following resolutions.

Resolutions 1 to 12 will be proposed as ordinary resolutions and resolutions 13 and 14 will be proposed as special resolutions.

### Ordinary resolutions

1. TO receive the Annual Report and Accounts of the Company for the financial year ended 31 March 2011, together with the Reports of the Directors and Auditors thereon.
2. TO approve the Directors' Remuneration Report set out in the Annual Report and Accounts for the financial year ended 31 March 2011.
3. TO reappoint Deloitte LLP as Auditors of the Company, to hold office until the conclusion of the next AGM to be held in 2012.
4. TO authorise the Directors to determine the remuneration of the Auditors of the Company.
5. TO elect as a Director The Honourable Angad Paul, who voluntarily retires in accordance with the recommendations of the UK Corporate Governance Code.
6. TO elect as a Director Mr Ravi Kailas, who voluntarily retires in accordance with the recommendations of the UK Corporate Governance Code.
7. TO elect as a Director Mr Alastair Cade, who voluntarily retires in accordance with the recommendations of the UK Corporate Governance Code.
8. TO elect as a Director Mr Vikram Kailas, who voluntarily retires in accordance with the recommendations of the UK Corporate Governance Code.
9. TO elect as a Director Mr Philip Swatman, who retires in accordance with the Company's Articles of Incorporation.
10. TO elect as a Director Mr Rohit Phansalkar, who voluntarily retires in accordance with the recommendations of the UK Corporate Governance Code.
11. THAT the Directors of the Company be and are hereby authorised to exercise all powers of the Company to issue or grant equity securities (as defined in the Articles of Incorporation of the Company) in the capital of the Company in accordance with Article 4.3 of the Articles of Incorporation of the Company:
  - (A) up to a maximum number of 54,545,333 Ordinary Shares (equal to approximately one third of the number of Ordinary Shares in issue as at the date of publication of this notice) and after giving effect to the exercise of any warrants, options or other convertible shares outstanding at the date of the passing of this Resolution (such number to be reduced by any issues or grants made under paragraph (B) below in excess of an equivalent number); and
  - (B) up to a maximum number of 109,090,666 Ordinary Shares (equal to approximately two-thirds of the number of Ordinary Shares in issue as at the date of publication of this notice) and after giving effect to the exercise of any warrants, options or other convertible shares outstanding at the date of the passing of this Resolution (such number to be reduced by any issues or grants made under paragraph (A) above) solely in connection with an offer by way of a rights issue:
    - (i) to Ordinary Shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to holders of other shares or securities, as required by the rights of those securities or as the directors of the Company otherwise consider necessary,
 and so that the directors of the Company may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,
 such authorities to expire at the end of the AGM of the Company to be held in 2012 or, if earlier, at the close of business on the date falling 15 months from the date of passing of this Resolution (unless previously renewed, revoked or varied by the Company by ordinary resolution), but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be issued or granted after the authority given to the Directors of the Company pursuant to this Resolution ends and the Directors of the Company may issue or grant equity securities under any such offer or agreement as if the authority given to the Directors of the Company pursuant to this Resolution had not ended. This Resolution revokes and replaces all unexercised authorities previously granted to the Directors of the Company to issue or grant equity securities but without prejudice to any issue of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

# Notice of Annual General Meeting

## continued

12. THAT the Company be and is hereby authorised, conditional on the Ordinary Shares of the Company remaining traded on AIM, a market operated by the London Stock Exchange, to make market purchases (as that term is defined in the Companies (Guernsey) Law, 2008, as amended) of its own Ordinary Shares which may be cancelled or held as treasury shares, provided that:
- (A) the maximum number of Ordinary Shares that may be purchased under this authority is 16,363,600 (equal to approximately 10 per cent. of the number of Ordinary Shares in issue as at the date of publication of this notice);
  - (B) the minimum price which may be paid for an Ordinary Share is £0.01 per Ordinary Share;
  - (C) the maximum price which may be paid for an Ordinary Share is not more than an amount equal to the higher of: 5% above the average market value of the Company's Ordinary Shares (as derived from the Daily Official List of the London Stock Exchange) for the five business days prior to the day the purchase is made; and (y) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out,
- such authority to expire at the end of the AGM of the Company to be held in 2012 or, if earlier, at the close of business on the date which is 15 months from the date of the passing of this Resolution (unless previously renewed, revoked or varied by the Company by ordinary resolution) save that the Company may make a contract to acquire Ordinary Shares under this authority before its expiry which will or may be executed wholly or partly after its expiration and the Company may make an acquisition of Ordinary Shares pursuant to such a contract.

### Special resolutions

13. THAT, if Resolution 11 (being the proposed ordinary resolution of the Company numbered 11 in this notice of AGM) is passed, the Directors of the Company be and are hereby authorised to exercise all powers of the Company to issue or grant equity securities (as defined in the Articles of Incorporation of the Company) in the capital of the Company wholly for cash pursuant to the issue or grant referred to in Resolution 11 (being the proposed ordinary resolution of the Company numbered 11 in this notice of AGM) as if the pre-emption rights contained in article 4.13 of the Articles of Incorporation of the Company did not apply to such issue or grant, this power being limited to:
- (A) the issue or grant of equity securities in connection with an offer of such securities by way of rights (including without limitation, under a rights issue, open offer or similar arrangement) to holders of equity securities in proportion (as nearly as may be practicable) to their respective holdings of such securities, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements, record dates or any other legal or practical problems under the laws of any territory, or the requirements of any regulatory authority or stock exchange;
  - (B) the issue or grant of equity securities up to a maximum number of 54,545,333 Ordinary Shares (equal to approximately one third of the number of Ordinary Shares in issue as at the date of publication of this notice) and after giving effect to the exercise of any warrants, options or other convertible securities outstanding as at the date of this Resolution,
- such authorities to expire at the end of the AGM of the Company to be held in 2012 or, if earlier, at the close of business on the date falling 15 months from the date of the passing of this Resolution (unless previously renewed, revoked or varied by the Company by special resolution) save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be issued or granted after such expiry and the Directors may issue or grant equity securities in pursuance of such an offer or agreement as if the authority conferred by the above resolution had not expired. This resolution revokes and replaces all unexercised authorities previously granted to the Directors of the Company to issue or grant equity securities in the capital of the Company wholly for cash as if the pre-emption rights contained in article 4.13 of the Articles of Incorporation of the Company did not apply to such issue or grant but without prejudice to any issue of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.
14. THAT the Articles of Incorporation in the form produced to the AGM and initialled by the Chairman of the meeting for the purpose of identification be and are hereby adopted as Articles of Incorporation of the Company in substitution for, and to the exclusion of, the existing Articles of Incorporation of the Company with effect from the conclusion of the AGM.

By order of the Board

For and on behalf of  
**Anson Fund Management Limited**  
 Company Secretary

Registered Office:  
 Anson Place  
 Mill Court  
 La Charroterie  
 St. Peter Port  
 Guernsey  
 GY1 1EJ

Registered in Guernsey with registered number 52284.  
 Dated: 30 September 2011

# Notice of Annual General Meeting

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## continued

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**Notes:**

1. A member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to speak and vote instead of them. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude members from attending or voting at the AGM if they so wish.
2. More than one proxy may be appointed provided each proxy is appointed to exercise the rights attached to different shares.
3. In accordance with the provisions of E.2.1 of the UK Corporate Governance Code it should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against each resolution.
4. A Form of Proxy is enclosed for use at the AGM. The Form of Proxy should be completed in accordance with the instructions set out therein and sent, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, so as to reach the Company's agent, for this purpose being, Computershare Investor Services (Guernsey) Limited, Kingsway House, Havilland Street, PO Box 393, St Peter Port Guernsey, GY1 3FN not less than 48 hours before the time for holding the AGM.
5. All persons recorded on the register of shareholders as holding shares in the Company as at 12.00 noon on 1 November 2011 or, if the AGM is adjourned, as at 48 hours before the time of any adjourned AGM, shall be entitled to attend and vote (either in person or by proxy) at the AGM and shall be entitled to one vote per share held.
6. If the AGM fails to be adjourned because it is not quorate, it will be adjourned to the same time and place five business days later or to such other day and/or time and/or place as the Directors of the Company may determine, whereupon those shareholders then present in person, by their representative or by proxy, shall form the quorum. In the event of any such adjournment the Company will announce the adjournment via a regulatory information service but no notification will be sent directly to shareholders.
7. Where there are joint registered holders of any shares such persons shall not have the right of voting individually in respect of such shares but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the register of shareholders shall alone be entitled to vote.
8. On a poll votes may be given either personally or by proxy and a shareholder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
9. Any corporation which is a shareholder may by resolution of its Board of Directors or other governing body authorise such person as it thinks fit to act as its representative at the AGM. Any person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual shareholder.
10. As at 29 September 2011 (the latest practicable date prior to the printing of this notice) the Company's issued share capital consisted of 163,636,000 Ordinary Shares of no par value, all carrying one vote each per share. No Ordinary Shares are held in treasury.
11. Copies of the following documents are available for inspection at the offices of Mayer Brown International LLP, 201 Bishopsgate, London, EC2M 3AF and at the registered office of the Company during usual business hours on any weekday (weekends and public holidays excluded) and will be available for inspection at the place of the AGM for 15 minutes before and during the AGM itself:
  - (a) a copy of the Company's Annual Report and Accounts for the financial year ended 31 March 2011;
  - (b) copies of the Executive Directors' service contracts and Non-Executive Directors' appointment letters; and
  - (c) the new Articles of Incorporation showing changes to the existing Articles of Incorporation.

# Notice of Annual General Meeting

## continued

### Explanatory notes to the Notice of Annual General Meeting

At the AGM there are 14 Resolutions which shareholders will be asked to consider and, if thought fit, approve. An explanation of each of these Resolutions is given below. Resolutions 1 to 12 (inclusive) are proposed as ordinary resolutions. An ordinary resolution requires more than 50% of votes cast at the AGM relating to that resolution to be in favour of it for the resolution to be passed. Resolutions 13 and 14 are proposed as special resolutions. A special resolution requires at least 75% of votes cast at the AGM relating to that resolution to be in favour of it for the resolution to be passed.

### Ordinary resolutions

#### Resolution 1: Annual Report and Accounts

For each financial year the Directors are required to present the Directors' Report, the audited accounts and the auditors' reports to shareholders at a general meeting. Shareholders are asked to receive the annual report and accounts of the Company for the financial year ended 31 March 2011. The Companies (Guernsey) Law, 2008 (as amended) requires that the accounts and reports are laid before the AGM.

#### Resolution 2: Report on Directors' Remuneration

The Annual Report and Accounts for the financial year ended 31 March 2011 contains a Report on Directors' Remuneration, which sets out the remuneration policy for the Company and reports on the remuneration arrangements in place for its directors. The shareholder vote will be advisory only, but the Directors of the Company will take the outcome of the vote into consideration when reviewing and setting the Company's remuneration policy.

#### Resolutions 3 and 4: Appointment and remuneration of the Auditors

Under the Articles of Incorporation, the first Auditors shall hold office until the first AGM. Deloitte LLP have indicated that they are willing to continue to be the Company's Auditors for the next year. You are asked to approve their reappointment and to authorise the Directors of the Company to determine their remuneration.

#### Resolutions 5 to 10 (inclusive): Election of Directors

Article 19.2 of the Articles of Incorporation of the Company (the 'Articles') requires any Director appointed by the Board of Directors of the Company (the 'Board') to retire at the first AGM following his or her appointment. You are therefore asked to elect Philip Swatman, who was appointed to the Board on 8 September 2010, as a Non-Executive Director of the Company. Charles Wilkinson is not offering himself for election at the AGM. In addition, Article 19.3 of the Articles also requires directors who held office at the time of the two preceding AGMs (and did not retire at either of them) to retire at each AGM. Save in respect of Mr Swatman, this requirement does not apply to any of the current directors; however, in accordance with the recommendations of the UK Corporate Governance Code, the Directors have resolved that they will all retire and that those wishing to continue to serve will voluntarily submit themselves for election by the shareholders at the AGM.

Having considered the performance and contribution made by each of the Directors, the Board believes that each of them continues to perform effectively and with commitment to their roles and, as such, recommends their respective election. Brief biographical details of the Directors seeking election can be found in the Annual Report and Accounts.

#### Resolution 11: Authority to issue shares

Paragraph (A) of this Resolution would give the Directors the authority to issue shares or grant rights to subscribe for, or convert any securities into, shares up to a maximum number of 54,545,333 Ordinary Shares in the Company. This amount represents approximately one-third of the issued Ordinary Share capital of the Company as at the date of publication of this notice.

In line with guidance issued by the Association of British Insurers ('ABI'), paragraph (B) of this Resolution would give the Directors authority to issue shares or grant rights to subscribe for, or convert any securities into, shares in connection with a rights issue in favour of shareholders up to a maximum number of 109,090,666 Ordinary Shares in the Company. This amount (before any reduction) represents approximately two-thirds of the issued Ordinary Share capital of the Company as at the date of publication of this notice.

In order to ensure that the maximum amount of shares issuable under Resolution 11 is in total never more than an amount equal to approximately two-thirds of the issued Ordinary Share capital, deductions will be made from (A) or (B) to ensure that this remains the case, whether or not the Company issues shares under (A) or (B) first.

Without prejudice to the Company's business strategy (which may involve future issues of shares), the Directors have no specific present intention to exercise either of the authorities sought under this Resolution. However, if they do exercise the authorities, the Directors intend to follow ABI recommendations concerning their use (including as regards the Directors standing for re-election in certain cases).

# Notice of Annual General Meeting

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## continued

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The authorities sought under paragraphs (A) and (B) of this Resolution will expire at the conclusion of the AGM of the Company to be held in 2012, or, if earlier, 15 months after the date of the AGM.

### **Resolution 12: Authority to purchase own shares**

The Company has previously granted authority to make market acquisitions of its Ordinary Shares to address, among other things, any imbalance in the supply of, and demand for, Ordinary Shares. The current authority expires at the end of the AGM.

This Resolution proposes to renew the authority of the Company to make market acquisitions of up to a maximum number of 16,363,600 Ordinary Shares in the Company. This amount represents approximately 10% of the issued ordinary share capital of the Company as at the date of publication of this notice.

The Directors have no present intention of exercising the authority to make market purchases; however, the authority provides the flexibility to allow them to do so in the future. The Directors will only exercise this authority when to do so would be in the best interests of the Company, and of its shareholders generally, and could be expected to result in an increase in the earnings per share of the Company.

In accordance with the Companies (Guernsey) Law, 2008 (as amended) (the 'Law'), the Company may only make market purchases of its Ordinary Shares provided it satisfies the 'solvency test' (as detailed in the Law) immediately after the shares are acquired. A company satisfies the 'solvency test' if: (i) it is able to pay its debts as they become due; and (ii) the value of its assets is greater than the value of its liabilities. In connection with any purchase of the Company's Ordinary Shares, the Directors will therefore need to confirm that the solvency test will be satisfied immediately following such purchase being made.

The minimum price which may be paid for an Ordinary Share is £0.01. The maximum price, exclusive of expenses, which may be paid for an Ordinary Share is the higher of: (i) an amount equal to 5% above the average market value for an Ordinary Share for the five business days immediately preceding the date of the purchase; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

Any Ordinary Shares purchased under the renewed authority will either be cancelled or held in treasury. Such decision will be made by the directors at the time of the purchases.

As at the date of publication of this notice no Ordinary Shares are held by the Company in treasury and options and other rights to subscribe for shares were outstanding over a total of 4,877,476 Ordinary Shares.

The authority sought under this Resolution will expire at the end of the Annual General Meeting of the Company to be held in 2012, or, if earlier, 15 months after the date of the AGM.

### **Special resolutions**

#### **Resolution 13: Disapplication of pre-emption rights**

Article 4.13 of the Articles of Incorporation requires that where Ordinary Shares are issued, or rights to subscribe for, or convert any securities into, Ordinary Shares are granted, wholly for cash, or where Ordinary Shares are sold out of treasury wholly for cash, either shareholder approval must be sought to make a non-pre-emptive offer or a pre-emptive offer must be made to all existing shareholders (but allowing the Directors to make such provision as they think fit in relation to fractional entitlements and/or certain overseas shareholders and/or any other matters). The Board believes that the ability to issue new Ordinary Shares on a non-pre-emptive basis is in the best interests of the Company as this affords considerable flexibility and a significant reduction in time and costs in effecting fundraisings.

If approved, the disapplication authority will allow the Board to issue up to a maximum number of 54,545,333 Ordinary Shares (equal to approximately one third of the total number of Ordinary Shares in issue as at the date of publication of this notice).

The authority sought under this Resolution will expire at the end of the AGM of the Company to be held in 2012, or, if earlier, 15 months after the date of the AGM.

#### **Resolution 14: Adoption of new Articles of Incorporation**

It is proposed to adopt new Articles of Incorporation ('New Articles') with effect from the conclusion of this AGM in substitution for the existing Articles of Incorporation. The principal changes introduced by the New Articles are summarised in the Appendix to this notice. Other changes, which are of a minor, technical or clarificatory nature, have not been noted below. The New Articles showing all the changes to the current Articles of Incorporation are available for inspection, as noted on page 44 of this document.



# Notice of Annual General Meeting

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## continued

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### **Appendix**

#### **Explanatory Notes of Principal Changes to the Articles of Incorporation**

##### **1. Change of name**

The Articles have been amended to reflect the change of name of the Company on 5 September 2011 from Caparo Energy Limited to Mytrah Energy Limited.

##### **2. Authority to issue shares**

The Articles have been amended to clarify that notwithstanding that any power or resolution may have expired, the Board may issue shares in pursuance of an offer or agreement previously made by the Company if the power or resolution enabled the Company to make an offer or agreement which would or might require equity securities to be issued after it expired.

##### **3. Pre-emption rights**

The Articles have been amended to clarify certain aspects of the pre-emption provisions, in particular relating to the exceptions set out in Article 4.14 and how these are applied in respect of the grant of options and the issue of new shares, or sale of shares held in treasury shares, following the exercise of such options.

##### **4. Proceedings of Directors**

The proposed changes to the conduct of Board meetings reflect certain clarifications made by HM Revenue & Customs on Director residence and also facilitate a more efficient administrative structure given the future plans of the Company.

##### **5. Forms of Proxy**

In order to provide more flexibility for shareholders, the Articles have been amended to expressly provide for electronic submission of forms of proxy.

##### **6. Notices**

The notice provisions in the Articles have been clarified to more closely align them with the statutory notice provisions set out in the Companies (Guernsey) Law, 2008 (as amended).

##### **7. Record date**

The Articles have been amended to expressly provide for the fixing of a date by the Board as the record date for any notice of any general meeting, dividend, distribution, or issuance of shares and such record date may be on or at any time within six months before or after any date on which such notice, dividend, distribution, or issuance is given, made or paid (as appropriate).

# Company Information

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**Registrars****Computershare Investor Services (Guernsey) Limited**

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**Mytrah Energy Limited**  
 (Incorporated and registered in Guernsey with company number 52284)

## Form of Proxy

Please read the notice of Annual General Meeting and the explanatory notes below before completing this form.

For use by holders of Ordinary Shares at the Annual General Meeting of Mytrah Energy Limited (the 'Company') convened for 3 November 2011 at 12.00 noon at Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 1EJ and at any adjournment thereof:

I/We (block capitals)..... of .....

being (a) shareholder(s) of the Company hereby appoint the Chairman of the meeting

or.....  
 as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company (the 'AGM') to be held on 3 November 2011 at 12.00 noon. and at any adjournment thereof.

I/WE direct the proxy to vote on the Resolutions as follows:

### ORDINARY RESOLUTIONS

	For	Against	Withheld
1. TO receive the Annual Report and Accounts of the Company for the financial year ended 31 March 2011, together with the Reports of the Directors and Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. TO approve the Directors' Remuneration Report set out in the Annual Report and Accounts for the financial year ended 31 March 2011.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. TO reappoint Deloitte LLP as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company to be held in 2012.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. TO authorise the Directors to determine the remuneration of the Auditors of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. TO elect as a Director The Honourable Angad Paul, who voluntarily retires in accordance with recommendations of the UK Corporate Governance Code.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. TO elect as a Director Mr Ravi Kailas, who voluntarily retires in accordance with the recommendations of the UK Corporate Governance Code.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. TO elect as a Director Mr Alastair Cade, who voluntarily retires in accordance with the recommendations of the UK Corporate Governance Code.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. TO elect as a Director Mr Vikram Kailas, who voluntarily retires in accordance with the recommendations of the UK Corporate Governance Code.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. TO elect as a Director Mr Philip Swatman, who retires in accordance with the Company's Articles of Incorporation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. TO elect as a Director Mr Rohit Phansalkar, who voluntarily retires in accordance with the recommendations of the UK Corporate Governance Code.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. TO authorise the Directors to issue Ordinary Shares.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. TO authorise the Company to make market purchases of its own shares which may be cancelled or held as treasury shares.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### SPECIAL RESOLUTIONS

13. TO disapply pre-emption rights under Article 4.13 of the Articles of Incorporation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. TO adopt new Articles of Incorporation in substitution for, and to the exclusion of, the existing Articles of Incorporation of the Company with effect from the conclusion of the AGM.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please indicate with an X in the appropriate space how you wish your vote to be cast. On receipt of the form duly executed and in the absence of a specific direction, your proxy will vote or abstain as he or she thinks fit on the resolutions.

Signed (Authorised Signatory):..... Date:.....2011

## Notes

1. If it is desired to appoint as proxy any person other than the Chairman of the AGM, his/her name and address should be inserted in the relevant place and reference to the Chairman of the meeting deleted and the alteration initialled.
2. If the shareholder is a corporation, this form must be executed under its common seal or under the hand of its duly authorised officer or attorney.
3. Where there are joint registered holders of any shares such persons shall not have the right of voting individually in respect of such shares but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the register of shareholders shall alone be entitled to vote.
4. Any alterations to this form of proxy should be initialled by the person who signs it.
5. The Form of Proxy should be completed in accordance with the instructions set out therein and sent, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, so as to reach the Company's agent, for this purpose being, Computershare Investor Services (Guernsey) Limited, Kingsway House, Havilland Street, PO Box 393, St Peter Port Guernsey, GY1 3FN not less than 48 hours before the time for holding the AGM.
6. Completing and returning a form of proxy will not prevent a member from attending in person at the meeting and voting should he or she so wish.
7. In the event that a form of proxy is returned without an indication as to how the proxy shall vote on the resolutions, the proxy will exercise his discretion as to whether and, if so, how he votes.
8. A shareholder entitled to exercise more than one vote need not cast all his or her votes in the same way.
9. In accordance with the provisions of E.2.1 of the UK Corporate Governance Code it should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against each resolution



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