

INTERNAL DUE DILIGENCE

The Company has undertaken an internal legal due diligence. The material contracts, guarantees given by the Company and pending litigation by and against the Company is as under:

The information provided on this website is intended to be given to public as disclosure, and no information contained herein or therein shall be deemed to be an admission by the Company qua any third party of any matter whatsoever (including, without limitation, any violation of applicable Law or breach of contract).

Guarantee given by the Company

Keshav Power Limited (a promoter controlled entity) borrowed Rs.480 million against the security of the power plant assets and the corporate guarantee from the Company. The maximum exposure under the corporate guarantee is Rs. 120 million per annum.

Litigations

Litigations relating to mining lease/ land acquisition/ royalty/ surface compensation etc.

A. Cases by the Company

I.

Case No.	W.P. No. 7927/1994
Date	1994
Applicant	DCBL
Respondent	State of TN
Pending before	High Court at Chennai
Nature of Case	Related to grant of mining lease

II.

Case No.	W.P. No. 7926/ 1994
Date	1994
Applicant	DCBL

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Respondent	State of TN
Pending before	High Court at Chennai
Nature of Case	Related to grant of mining lease

III.

Case No.	Writ Appeal Nos. 89/03, 872/03, 2885/03, 2884/03, 554/03, 1800/03, 555/03, 873/03, 874/03, 559/03, 1155/03, 1799/03, 580/03, 2893/03, 2886/03, 581/03, 582/03, 545/03, 1153/03, 2849/03, 822/03, 544/03, 1154/03, 2892/03, 823/03, 543/03 2895/03, 824/03 (28 Appeals)
Date	2003
Applicant	DCBL
Respondent	Land Acquisition Officer
Pending before	High Court at Chennai
Nature	Land Acquisition

IV.

Case No.	Writ Petition No. 7900/01
Date	2001
Applicant	State of Tamil Nadu
Respondent	DCBL
Pending before	High Court at Chennai
Nature of Case	Related to surface compensation

V.

Case No.	Writ Petition No. 7901/01
Date	2001
Applicant	State of Tamil Nadu
Respondent	DCBL
Pending before	High Court at Chennai
Nature of Case	Related to grant of mining lease
Current Status	Pending in High Court

VI.

Case No.	Writ Petition No. 7987/01
Date	2001
Applicant	State of Tamil Nadu
Respondent	DCBL

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Pending before	High Court at Chennai
Nature of Case	Related to grant of mining lease

VII.

Case No.	Writ Petition No. 7896/01
Date	2001
Applicant	State of Tamil Nadu
Respondent	DCBL
Pending before	High Court at Chennai
Nature of Case	Related to renewal of mining lease.

VIII.

Case No.	Writ Petition No. 4373/2000
Date	2000
Applicant	State of Tamil Nadu
Respondent	DCBL
Pending before	High Court at Chennai
Nature of Case	Related to grant of mining lease

IX.

Case No.	Writ Petition No. 12033/02
Date	2002
Applicant	DCBL
Respondent	State of Tamil Nadu
Pending before	High Court at Chennai
Amount Involved	Rs. 18.16 crores
Nature of Case	Royalty on limestone

B. Cases Pertaining to Acquisition and Mining Leases against the Company

I.

Case No.	O.S. No. 1304/93
Date	1993
Applicant	TANCEM
Respondent	DCBL
Amount Involved	Not determined
Nature of Case	Relates to government's notification granting permission

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	to DCBL to use the land for mining purposes.
Current Status	Pending before Sub-Court, Trichy

II.

Case No.	OS No. 1193/93
Date	1993
Applicant	TANCEM
Respondent	DCBL
Nature of Case	The petitioner has filed a suit restraining the Govt. from entertaining and/or any application for granting PL/ML to DCBL in view of acquisition proceedings in favour of TANCEM.
Current Status	Pending before Sub-Court, Trichy

III.

Case No.	OS No. 392/94
Date	1994
Applicant	TANCEM
Respondent	DCBL
Nature of Case	TANCEM has filed a suit for being declared a deemed PL licensee and consequently grant of injunction in their favour for restraining the Govt. from granting of PL/ML in favour of DCBL in Aminabad, Perianagular, Khairulabad.
Current Status	Pending before Sub-Court, Trichy

2. Litigations relating to Environmental Cases

Case No.	Writ Petition No. 3357, 4273, 4274 and 5472/2005
Date	2005
Applicant	V. Subbaiah
Respondent	DCBL
Pending before	Supreme Court of India
Nature of Case	Four Public Interest Litigations have been filed in the Madurai Bench of Madras High Court against the proposal of DCBL for expansion of their manufacturing capacity.

3. Litigations relating to Electricity Matters

I.

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Case No.	Writ Petition No. 12028/95 Writ Petition No. 17489/ 95 Writ Petition Nos. 10485 to 10490/95 Writ Appeal No. 1611/97 Writ Petition No. 12033/02
Date	2002
Applicant	DCBL
Respondent	State of Tamil Nadu
Pending before	High Court at Chennai
Amount Involved	Rs. 134.36 lacs + Rs. 124.80 lacs as interest computed @ 12% as per TN Electricity (Taxation on Consumption) Act, 1962 – Total liability is Rs. 259.16 lacs.
Nature of Case	Tax on consumption of energy for captive use.

II.

Case No.	Writ Appeal No 1768/2004
Date	2004
Applicant	DCBL
Respondent	State Of Tamil Nadu
Nature of Case	Tax on consumption of energy
Current Status	Pending in the High Court

4. Arbitration Case

Case No.	Execution Case No. 19/2004
Date	2004
Applicant	DCBL
Respondent	Bulk Trading
Pending before	Addl. Dist. Judge, Delhi
Amount Involved	Rs. 45 lacs (including interest calculated @ 4% as per award)
Nature of Case	Enforcement of the arbitration award.
Current Status	Pending before Sub-Court, Trichy

5. Drawal of Water Cases

Case No.	Writ Petition No. 2182/02
Date	2002
Applicant	DCBL

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Respondent	State of Tamil Nadu
Pending before	High Court at Chennai
Nature of Case	Demand for increased water charges.

6. Other Civil Cases

I.

Case No.	RFA (OS) No. 26/1986
Date	1986
Applicant	Hansalaya Properties
Respondent	DCBL
Pending before	High Court at Delhi
Amount Involved	Rs. 88,97,247.12
Nature of Case	Dispute as regards the purchase price. .
Current Status	Pending in the High Court at Delhi for final hearing.

II.

Case No.	Suit No. 1205 o 1979
Date	1979
Applicant	DCBL
Respondent	Hansalaya Properties
Pending before	District Court, Delhi
Amount Involved	Rs. 9,26,378/- along with interest
Nature of Case	Suit filed for damages and late delivery of 11th and 12th floors of the Hansalaya Building.

III.

Case No.	Suit No 318 of 1980
Date	1980
Applicant	DCBL
Respondent	Hansalaya Properties
Pending before	District Court, Delhi
Nature of Case	Suit filed for execution of formal Deed of Conveyance in respect of 11th and 12th floors and also parking space. Hansalaya Properties.

IV.

Case No.	Suit No. 3418 of 1989
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Date	1989
Applicant	DCBL
Respondent	Hansalaya Properties
Pending before	District Court, Delhi
Amount Involved	Not determined
Nature of Case	Suit filed for declaration and perpetual/ mandatory injunction under the Apartment Ownership Act, 1986 for declaring 11th and 12th floors of Hansalaya Building as an Apartment under the Act and directing Hansalaya Properties to execute a Deed of Apartment. Suit consolidated with the suit for execution of Conveyance Deed for both the floors.

V.

Case No.	Suit No. 399 of 2004 (Old No. 1712 of 1982)
Date	1982
Applicant	DCBL
Respondent	Hansalaya Properties
Pending before	District Court, Delhi
Nature of Case	DCBL filed the suit for seeking declaration regarding its right, interest and entitlement to install its own cooling tower and further claiming injunction against Hansalaya Properties from restricting them from using the service floor above the 14th floor in the Hansalaya Building. Suit has been consolidated with the main suit of execution of conveyance deed for both the floors.

7. Cases under Industrial Disputes Act

I.

Case No.	ID 10/71
Applicant	Salem Dist. Magnesite Labour Union
Respondent	Industrial Tribunal, Chennai
Pending before	Industrial Tribunal, Chennai
Nature of Case	The Union raised a demand in 1970 for payment of wages for Rest Day i.e. Sunday.
Current Status	Pending before The Industrial Tribunal.

II.

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Case No.	WP No.8767/03
Applicant	E.Mohan
Respondent	Presiding Officer & DMC
Pending before	The High Court, Chennai
Nature of Case	E. Mohan had been given compulsory retirement from service on 31.05.1996. The Central Government Industrial Tribunal, Chennai had confirmed the action of the Management. Thereafter, E. Mohan filed a writ of Certiorari before High Court, Madras.
Current Status	Pending before the High Court, Madras.

III.

Case No.	ESI OS 19/05
Applicant	DMC
Respondent	ESI Corporation
Pending before	ESI Court, Salem
Nature of Case	The ESI Corporation, Chennai ordered to pay contributions, damages and interests in respect of employees of Canteen, Guest House & Garden. DMC filed a suit before ESI Court, Salem against the Order.
Current Status	Pending before the ESI Court, Salem.

8. Cases under Section 138 of Negotiable Instruments Act

S.No.	Appeal No./ Case No.	Date	Complainant/ Applicant	Respondents	Matter pending before	Amount under consideration	Nature of case	Current Status	Remarks
1	CC 149/00	10.08.00	Dalmia Cement (Bharat) Ltd.	V.R.VENKATACHALAM PROPRIETOR, V.R.VENKATACHALAM THIRUCHENGODE	Judicial Magistrate 1st Class	678000	Dishonour of cheque u/s 138 of Negotiable Instruments Act	Matter pending adjudication before J. Magistrate.	Party has shown inclination to settle.
2	CC 151/00	21.08.00	Dalmia Cement (Bharat) Ltd.	P.S.A.THAMOTHARAN PROPRIETOR ANANTHASATHYA	Judicial Magistrate 1st Class	395946	Dishonour of cheque u/s 138 of Negotiable Instruments Act	The application under Section 138 of NI Act is pending adjudication	DCBL is also contemplating to file a recovery suit

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				AGENCIE S KOVILPAT TI				before J. Magistrate. Listed for hearing on 03-03-06	separatel y.
3	CC 244/00	30.11.0 0	Dalmia Cement (Bharat) Ltd.	V.S.EKAM BARAM PARTNER SHRI SANGUPA NI TIMBER DEPOT, KANCHEE PURAM	Judicial Magistrate Ist Class	475226	Dishonour of cheque u/s 138 of Negotiable Instruments Act	The party has filed a petition before the High Court invoking arbitration clause in the agreement between the parties. As such the party is not attending the proceedings before Magistrate's Court.	
4	CC 33/02	25.02.0 2	Dalmia Cement (Bharat) Ltd.	C.D.MOHA N PROPRIE TOR RM.DURAI SAMY PILLAI SON MANAMA DURAI	Judicial Magistrate Ist Class	852650	Dishonour of cheque u/s 138 of Negotiable Instruments Act	Arrest warrant already sent to concerned, Police Station. Not executed so far. Party does not have any property money.	
5	CC 42/02	19.04.0 2	Dalmia Cement (Bharat) Ltd.	C.MUTHU PROPRIE TOR C.MUTHU AGENCIE S NAGAL NAGAR, DINDIGUL	Judicial Magistrate Ist Class	430000	Dishonour of cheque u/s 138 of Negotiable Instruments Act	Matter pending adjudication before J. Magistrate.	Party has shown inclinatio n to settle.
6	CC 45/02	19.04.0 2	Dalmia Cement (Bharat) Ltd.	RAJASEK ARAN PROPRIE TOR BHARATH I TRADERS	Judicial Magistrate Ist Class	22000	Dishonour of cheque u/s 138 of Negotiable Instruments Act	Matter pending adjudication before J. Magistrate.	Arrest warrant already sent to concerne d. Police station.

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				KUNNAM					Not executed so far.
7	CC 109/02	05.09.02	Dalmia Cement (Bharat) Ltd.	K.JAYARAMAN & J.SUSEEL A PARTNER S V.A.KRISHNARAMAN UJAM MANNAR GUDI	Judicial Magistrate 1st Class	130000	Dishonour of cheque u/s 138 of Negotiable Instruments Act	Matter pending adjudication before J. Magistrate.	Party has shown inclination to settle.
8	CC132/02	11.11.02	Dalmia Cement (Bharat) Ltd.	P.PRAKASHAM PROPRIETOR PRAKASH AGENCY, CUDDALORE	Judicial Magistrate 1st Class	304000	Dishonour of cheque u/s 138 of Negotiable Instruments Act	Matter pending adjudication before J. Magistrate.	Cross examination of the accused is pending. Party is not willing to pay the amount.
9	CC131/02	11.11.02	Dalmia Cement (Bharat) Ltd.	VEERA PRASATH PROPRIETOR SRI LAKSHMI AGENCIES, ORATHANADU	Judicial Magistrate 1st Class	238000	Dishonour of cheque u/s 138 of Negotiable Instruments Act	Matter pending adjudication before J. Magistrate.	
10	CC17/03	13.01.03	Dalmia Cement (Bharat) Ltd.	MR.T.S.SENGOUDAN PROP:K.S.HARDWARER, SALEM	Judicial Magistrate 1st Class	95725	Dishonour of cheque u/s 138 of Negotiable Instruments Act	Matter pending adjudication before J. Magistrate.	Arrest warrant already sent to the concerned PS and has not been executed so far
11	CC52/03	13.02.03	Dalmia Cement (Bharat) Ltd.	Shri .T.DUARAI Prop : M/S LAKSHMI	Judicial Magistrate 1st Class	93000	Dishonour of cheque u/s 138 of Negotiable	Matter pending adjudication before J.	Arrest warrant already sent to

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				AGENCY TRICHY 9			Instruments Act	Magistrate.	the concerne d PS and has not been executed so far
12	CC51/03	13.02.0 3	Dalmia Cement (Bharat) Ltd.	Shri S.MUTHU SWAMY Prop : M/S MUTHU STEELS , KARAIKU DI	Judicial Magistrate 1st Class	186525	Dishonour of cheque u/s 138 of Negotiable Instruments Act	Matter pending adjudication before J. Magistrate.	Arrest warrant already sent to the concerne d PS and has not been executed so far
13	CC109/0 3	13.03.0 3	Dalmia Cement (Bharat) Ltd.	Shri.M.Rajj a Prop :M/s Rajja Agencies Kannanur Thriyur T.K	Judicial Magistrate 1st Class	136685	Dishonour of cheque u/s 138 of Negotiable Instruments Act	Matter pending adjudication before J. Magistrate.	Ex-parte decree obtained in civil suit filed by DCB
14	CC/357/0 3	22.04.0 3	Dalmia Cement (Bharat) Ltd.	Shri M.Ramesh Prop :M/s Akash Enterprise s, Chennai	Judicial Magistrate 1st Class	263500	Dishonour Of cheque u/s 138 of Negotiable Instruments Act		The case file is yet to be transfere d from Madurai High Court .The property owned by the party now attached by the UCO bank under debt recovery panel
15	CC 389/03	12.06.0 3	Dalmia Cement (Bharat) Ltd.	M/S VIHAR VISWAS Main Road , Marthanda	Judicial Magistrate 1st Class	319400	Dishonour Of cheque u/s 138 of Negotiable Instruments Act	Matter pending adjudication before J. Magistrate.	Amount written off from the books of accounts as party

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				m Kanniyaku mari Dist					does not have money to pay
16	CC 19/04		Dalmia Cement (Bharat) Ltd.	Matha Traders Hosur Prop :Mr.Peter Paul Raj	Judicial Magistrate Ist Class	500000	Dishonour of cheque u/s 138 of Negotiable Instruments Act	Matter pending adjudication before J. Magistrate.	Party has shown inclinatio n to settle.
17	CC 24/04	20.02.0 4	Dalmia Cement (Bharat) Ltd.	Maruti Agencies, ErodeProp : Senthilkum ar D.24 ,Housing unit, Kollampaly am, Erode.	Judicial Magistrate Ist Class	384836	Dishonour of cheque u/s 138 of Negotiable Instruments Act	Matter pending adjudication before J. Magistrate.	Trial to commenc e shortly
18	CC 53/04	12.04.0 4	Dalmia Cement (Bharat) Ltd.	United Trading Company Prop;K.I Najeeb , Karuppam Veetil House Edamatta m P.O Thirusoore , Kerala.	Judicial Magistrate Ist Class	995766	Dishonour 2of cheque u/s 138 of Negotiable Instruments Act	Matter pending adjudication before J. Magistrate.	Party has left India. Steps being taken to declare the party as proclaime d offender
19	CC 99/04	23.07.0 4	Dalmia Cement (Bharat) Ltd.	C.Subram anian Prop :Saravana Stores Palayamko ttai - Thirunelvel i	Judicial Magistrate Ist Class	76,517	Dishonour of cheque u/s 138 of Negotiable Instruments Act	Matter pending adjudication before J. Magistrate.	Arrest warrants sent to PS - not executed so far

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20	61/1997	05.02.97	DCBL	Western Paques (India) Ltd.	MM, New Delhi	750000	Dishonour of cheque u/s 138 of Negotiable Instruments Act	Matter Adjourned sine die	The accused has been declared as proclaimed offender and the case is adjourned sine die. DCBL has also filed winding up proceedings against the party for a claim of Rs. 2.39 crores. The High Court has appointed the Official Liquidator
21	62/1997	05.02.97	DCBL	ROM Industries	MM New Delhi	50,00,000	Dishonour of cheque u/s 138 of Negotiable Instruments Act	Matter pending adjudication before J. Magistrate. Listed for hearing on 14.07.06	ROM industries has also filed an application before BIFR for rehabilitation. DCBL has received Rs. 22 lacs from the party.

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22	1046/1 of 1996	08.10.96	DCBL	Jauss Polymers Ltd.	MM New Delhi	25,00.00	Dishonour of cheque u/s 138 of Negotiable Instruments Act	Matter pending adjudication before J. Magistrate. Listed for hearing on 27.02.06	DCBL has received an amount of about Rs. 22 lacs. Jauss Polymers has also filed an application before BIFR for rehabilitation
23		29.12.2000	DCBL	Ispat Profiles	Addl.CMM, Mumbai	14.97 lacs	Dishonour of cheque u/s 138 of Negotiable Instruments Act	Matter pending adjudication before CMM, Mumbai	Six cheques have been bounced on presentation.

Material Contracts

A. List of Material Contracts* of the Company:

Name of the Party	Purpose
Visa Countrade, Switzerland	Coal Import
Visa Countrade, Switzerland	Coal Import
Goldratt Consulting	Consulting Agreement dated June, 2005
M/s Green Sol Power Systems Pvt Ltd.	Supply of Turbine Generator
M/s ISGEC John Thompson	Supply and erection of Boiler

B. Dalmia Sugars Limited is the subsidiary of the Company and has entered into following Material Contracts*:

Name of the Party	Purpose
M/s ThyssenKrupp Industries India Pvt	Supply and erection of Milling

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Ltd (LOI No.- RCML/PUR/LOI/MILL/05/EQUIPMENT dated 28.10.2005	Tandem 1
M/s ThyssenKrupp Industries India Pvt Ltd (LOI No.- RCML/PUR/LOI/MILL-02/EQUIPMENT dated 14.12.2005	Supply and erection of Milling Tandem 2
M/s Hagglunds Drive AB dated 07.12.2005	Hydraulic Drive 1
M/s Hagglunds Drive AB dated 01.02.2006	Hydraulic Drive 2
M/s Baba Vishwakarma Engg. Co. (P) Ltd. dated 15.02.2006	Fabricated Equipment for Sugar House
M/s TD Power Systems Pvt Ltd. dated 18.09.2005	Turbine No 1
M/s Green Sol Power Systems Pvt Ltd. dated 14.12.2005	Turbine No 2
M/s Cethar Vessels Pvt Ltd. dated 20.08.2005	Boiler No 1
M/s Cethar Vessels Pvt Ltd. dated 14.12.2005	Boiler No 2

* Further information in regard to these contracts is available at the registered office of the Company.